

# DAILY REPORT

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WU XUEQIAN ARRIVES IN NEW YORK FOR UN SESSION

Greeted at Airport

OW240216 Beijing XINHUA in English 0148 GMT 24 Sep 83

[Text] United Nations, September 23 (XINHUA) -- Wu Xueqian, Chinese state councillor and foreign minister, arrived in New York this afternoon as chairman of the Chinese delegation to the 38th session of the United Nations General Assembly.

Attending the U.N. session for the first time since becoming foreign minister, Wu Xueqian will spell out China's position on outstanding international issues when he addresses the Assembly next week, and he will confer with his counterparts from many countries during his stay here.

Wu was greeted at the airport by Ling Qing, Chinese permanent representative to the U.S., Zhang Wenjin, Chinese ambassador to the United States. U.N. Under Secretary-General Bi Jilong, was present on the occasion.

On his way to New York, Wu had a two-day stop in San Francisco.

Calls on Samdech Sihanouk

OW242006 Beijing XINHUA in English 1859 GMT 24 Sep 83

[Text] United Nations, September 24 (XINHUA) -- Wu Xueqian, state councillor and foreign minister of China, this morning called on President of Democratic Kampuchea Samdech Norodom Sihanouk in his residence. They had friendly and cordial talks. Among those present was Zhou Nan, assistant foreign minister of China.

Meets With Khieu Samphan

OW260748 Beijing XINHUA in English 0712 GMT 26 Sep 83

[Text] United Nations, September 25 (XINHUA) -- Wu Xueqian, state councillor and foreign minister of China, met with Khieu Samphan, vice president of Democratic Kampuchea here this evening. They exchanged views on the Kampuchean problem.

BINGQIAN DEPARTS FOR WASHINGTON IMF MEETING

OW240230 Beijing XINHUA in English 0151 GMT 24 Sep 83

[Text] Beijing, September 24 (XINHUA) -- Wang Bingqian, state councillor, minister of finance and World Bank governor for China, left here for Washington this morning at head of a delegation.

The delegation is going to attend the 1983 International Monetary Fund-World Bank annual meetings of the board of governors.

Lu Peijian, deputy head of the delegation, president of the People's Bank of China and I.M.F. governor for China, and some other members are already in Washington.



CHEN MUHUA ON PRC AID POLICY FOR THIRD WORLD

OW231241 Beijing XINHUA in English 1212 GMT 23 Sep 83

[Text] Beijing, September 23 (XINHUA Correspondent Zhang Xijun) -- The Chinese Government will continue to provide aid to other Third World countries while expanding various forms of economic and technical cooperation with them.

This remark was made by Chen Muhua, state councillor and minister of foreign economic relations and trade, during an interview with this correspondent here today. In providing aid to these countries, she noted, the Chinese Government aims to further their independence and self-reliance so as to achieve common progress.

She said the Chinese Government has formulated a four-point principle, that is, "equality and mutual benefit, stress on practical results, diversity in form and achievement of common progress", for aid to and economic and technical cooperation with other Third World countries.

Equality and mutual benefit is China's consistent principle for handling international economic relations, she said. It is China's consistent policy to enter into bilateral or multilateral economic and technical cooperation with other Third World countries so as to make up each other's deficiencies, boost the capabilities of self-reliance and promote the growth of national economies.

China is a Third World country and has limited financial resources, she continued. In carrying out economic and technical cooperation with other Third World countries, China pays attention to mutual economic benefit and in aiding other countries China will give full consideration to what the country is capable of.

Seeking practical results is the principal criterion for assessing China's foreign aid and economic and technical cooperation with other Third World countries, the state councillor stated.

We help other countries to see that they really benefit, she explained. Therefore, we must proceed from each other's needs and potentials so as to bring each other's strong points into full play.

In undertaking a project, it is necessary to make assessment of economic results and seek the best and most economical designs, she said. Then we shall provide reliable equipment and materials so that construction projects will yield the optimum economic results.

Chen Muhua said that the Third World countries have made much progress in their economic development and demanded different forms of cooperation, and that is why China has to diversify the form of cooperation with these countries. Cooperation in the forms of contracting for projects, labor service, establishment of joint ventures, coproduction and joint development of natural resources has bright prospects.

Only by achieving common progress, can the Third World countries which have common interests consolidate their political independence and become stronger in the struggle against imperialism and hegemonism, Chen Muhua pointed out.

WU XUEQIAN INTERVIEWED ON ARMS RACE, WORLD TENSIONS

HK231147 Beijing CHINA DAILY in English 22 Sep 83 p 1

[Report by Feng Xiliang -- For Beijing XINHUA English report on this interview see page A 2 of the 22 September China DAILY REPORT]

[Text] How to halt the arms race, reduce world tension, and help the developing countries in their development are the three key issues facing the world today in China's view, State Councillor and Foreign Minister Wu Xueqian said yesterday.

The Chinese Foreign Minister was commenting on the 140 item agenda of the 38th session of the UN General Assembly which opened yesterday in New York.

"Halting the arms race has become the primary concern of people all over the world, and the most pressing issue in that area is the deployment of the medium-range missiles in Western Europe," Wu told CHINA DAILY in a special interview on the eve of his departure for New York. This will be the first time the 62-year-old minister has attended a UN General Assembly session.

"A gigantic mass movement is on the rise in Western Europe against nuclear armament and there is a similar one in Canada and the United States," Wu said. "China supports these movements and sympathizes with the participants."

Disarmament

"Both the Soviet Union and the United States have been professing that they are working for arms reduction. However, unless they show sincerity, no positive result will come out of their marathon talks. So far both powers have been working overtime to build up their nuclear arsenal while negotiations drag on. This is no way to stop the arms race," he said.

The Foreign Minister said he will present on behalf of the Chinese Government a new proposal in this regard in his UN speech.

As to relaxing world tension, the Foreign Minister stressed that the five principles of peaceful coexistence should be the guiding principles governing relations between different countries. The five principles of peaceful coexistence were first put forward by Premier Zhou Enlai and Indian Prime Minister Nehru exactly 30 years ago.

If, for example, Wu said, Vietnam had observed the five principles of peaceful coexistence, the question of Kampuchea would have been easily solved. He pointed out that Vietnam was very active recently in trying to peddle the idea of a "peaceful solution" and calling for "negotiating with China unconditionally."

"We are not against a political solution at all," Wu said. "But Vietnam must back its words with deeds. It must commit itself to the unconditional withdrawal of all its forces from Kampuchea and take concrete steps towards this end. Otherwise merely paying lip service to a political solution is meaningless."

World Tension

The same goes for the Afghanistan question, he said. "The Soviet Union must first of all set a timetable for the withdrawal of its troops from that country."

The Soviet Union has been saying that it will withdraw its forces only when it has the guarantee that will be no international intervention in the internal affairs of Afghanistan. The soft-spoken Foreign Minister raised his voice, and said: "It is absurd for the arch interventionist to call for a guarantee of non-intervention."

The third question China regards as important is that the developed countries should help the developing countries in their development, Wu said.

Many of the Third World countries are having economic difficulties. Some are in serious trouble. This is mainly due to shifting the burden on to the Third World countries by some developed countries during their economic crises.

Wu said it was only proper for the Group of 77 nations to call for a North-South dialogue. China supports this proposal and holds that the North should change its rigid attitude and enter into a North-South dialogue and subsequently, global negotiations. It should discuss those pressing problems concerning relations between the developed and the developing countries. At the same time, the developing countries should promote South-South cooperation, Wu added.

Commenting on his forthcoming visits to Canada and the United States, Wu said that he is eagerly looking forward to visiting Canada, a country which enjoys good relations with China.

He said Prime Minister Trudeau, who reportedly will retire soon, is an outstanding statesman. The Chinese people, he said, will never forget him for his major contribution in establishing diplomatic relations between Canada and China in 1970 and fostering good bilateral relations. There are wide vistas for economic and technological cooperation.

Wu asked CHINA DAILY, which is also printed and distributed in New York, to convey his greeting to the American people. Although his visit is only for five days, he said he would like to see the land and the people of the United States as much as possible, apart from holding talks with U.S. Secretary of State George Shultz and other officials in Washington.

Describing his visit as an indication of improved relations between China and the United States, he attributed the recent betterment of relations between the two countries to the measures adopted by the U.S. Government which are beneficial to bilateral relations, such as a certain easing on the transfer of technology to China.

#### US Visit

"We sincerely hope that from now on Sino-American relations will continue to expand on the basis of equality and mutual benefit and mutual respect for each other's sovereignty," he said.

"However," Wu said, "we must face that the Taiwan question remains the main obstacle. The 'Taiwan Relations Act' adopted by the U.S. Congress, which regards Taiwan as a 'political entity', is a big problem."

"We hope the U.S. Government will honour the August 17 Communique of 1981. If the provisions of the communique are carried out, the volume of arms sale to Taiwan will be gradually reduced until the United States completely stops selling arms to the island."

Unfortunately, he added, the two lots of arms sold to Taiwan after the August communique obviously contravene the provisions of the communique. That is why we lodged strong protests with Washington.

He indicated he would probably have three rounds of talks with Secretary Shultz. He hoped they would be extensive, frank and smooth. He believes the talks will contribute to mutual understanding and furthering Sino-American relations.

Replying to a question regarding the recent talks between Soviet Vice Foreign Minister Mikhail Kaptisa and Chinese officials, Wu said the talks covered many subjects and were conducive to mutual understanding. But there are still big differences on removing the three major obstacles (that is, Soviet support of the Vietnamese invasion of Kampuchea, Soviet aggression against Afghanistan, and the stationing of Soviet troops along the Sino-Soviet border and in the People's Republic of Mongolia). Considering they were the first such talks in 20 years, he said with a smile, "something is better than nothing."

#### TRADE JOURNAL VIEWS U.S., WESTERN ANTI-DUMPING DUTIES

HK231440 Beijing GUOJI MAOYI [INTERNATIONAL TRADE] in Chinese No 8, 27 Aug 83 pp 28-31, 39

[Article by Wu Yongxun: "On Anti-Dumping Duties (Part I)" -- passages within slantlines published in English; first two paragraphs are introduction in English appearing in the English translation of the table of contents on pages 63-64]

[Text] /Trade protectionism has resurged in recent years as the Western countries are severely hit by the economic recession. The United States and some other Western countries often tried to squeeze out certain Chinese export commodities by resorting to levy of anti-dumping duties. We should not ignore this kind of non-tariff barriers.

The author, Professor Wu, holds that anti-dumping duties have been adopted from the very beginning as one of the means of trade protection policy. For many years they have been used by developed countries as a flexible and effective measure to restrict imports. The author reviews in greater detail the historical evolution of anti-dumping duties, analyses in particular the U.S. "Anti-Dumping Law 1921," the anti-dumping provisions in the "General Agreement on Tariffs and Trade," and the "Anti-Dumping Code of GATT" which have produced rather great impact on international non-tariff barriers which prevent China from expanding her export. /

In Western countries, anti-dumping duties have been adopted from the very beginning as a means of trade protectionism. The earliest ancestor of trade protectionism -- the first U.S. Treasury Secretary, Alexander Hamilton, denounced Britain for trying to strangle the United States economically by resorting to dumping goods. The first U.S. policy of protective tariffs (1816) was adopted mainly to put a stop to dumping. Canada began to levy dumping duties in 1904 in view of the demand of increasing import duties raised by trade protectionists.

Aiming at putting a stop to dumping, some European countries also levy dumping duties as well as anti-dumping duties, yet their tariff rate differs. In 1921, the United States promulgated its "Anti-Dumping Law," which was the earliest example of such a law. In 1947, 23 countries in the world concluded the "General Agreement on Tariffs and Trade" (hereafter referred as the "General Agreement"). The sixth provision concerning anti-dumping in the "General Agreement" derived from the U.S. "Anti-Dumping Law of 1921."



Just after conclusion of the "General Agreement," disputes arose on the matter of levying anti-dumping duties among some signatory states, yet such cases were few. In the Kennedy round negotiations from 1964 to 1967, based on the experiences gained in the previous 20 years, the signatory states to the "General Agreement" formulated the "GATT Anti-Dumping Code," which offered an elaborate and clearer explanation to the sixth provision of the "General Agreement." In the Tokyo round negotiations from 1973 to 1979, the code was revised and named as "Revised GATT Anti-Dumping Code."

The U.S. "Anti-Dumping Law of 1921" was partially revised in its "Trade Law of 1974." In 1979, the United States signed all agreements concluded in the Tokyo round, including the "Revised GATT Anti-Dumping Code." In order to bring all the agreements concluded in the Tokyo round, the U.S. Congress later adopted the "Trade Agreements Law of 1979," and its provisions concerning anti-dumping duties were regarded as a substitution for the "Anti-Dumping Law of 1921."

The U.S. anti-dumping law, the anti-dumping provisions in the "General Agreement on Tariffs and Trade," and the "Anti-Dumping Code of GATT" have had a rather great impact on international trade. This article is going to make an initial approach to them.

#### 1. The U.S. "Anti-Dumping Law of 1921"

The U.S. "Anti-Dumping Law of 1921" mainly stipulates that if a foreign firm dumps a commodity to the United States, the U.S. Department of Treasury must levy anti-dumping duties on the commodity according to the following two conditions:

- 1) The Treasury Department must confirm whether the commodities are /sales at less than fair value./
- 2) The U.S. Office of Tariff Affairs must confirm whether the U.S. industry which produces the same or similar commodity suffers an /injury./

Then, whatever does the fair value mean? The law gives no explanation to it. In accordance with the U.S. "Code of Federal Regulations," fair value refers as follows:

- 1) The price on the domestic market of the exporting country (there is no domestic price provided such kind of commodity is only for export) or;
- 2) The exported price to the third country (if such kind of commodity is not sold on the domestic market, and also is not exported to other countries) or;
- 3) The /constructed value/ of this commodity.

Constructed value consists of the following four aspects: 1) cost of raw materials and of manufacture or processing; 2) /general expenses/ not less than 10 percent of the above-mentioned cost; 3) eight percent profit of the total sum of the first and second items; and 4) other expenses for preventing the commodity from being damaged in shipment (such as packing).

Generally speaking, American manufacturers appeal to the U.S. Treasury Department against dumping by claiming the injury they suffer due to the dumping of foreign commodities. If no appeal is claimed, the Treasury Department has the right to investigate the matter.

Anti-dumping investigations are conducted by the Customs Service of the Treasury Department. When the Treasury Department determines that the selling price of the imported commodity in the United States is below fair value, the U.S. Office of Tariff Affairs will be notified. The latter, within 3 months, should determine whether or not the industry in the United States producing this commodity or a similar commodity is impaired or possibly impaired, or whether or not the establishment of such an industry is impaired. After requisite investigations, if the Office of Tariff Affairs determines the import of such commodity has caused the above effect, the Treasury Department should announce its /finding/, which amounts to the decision jointly reached by that department and the Office of Tariff Affairs. After that, an anti-dumping tax can be levied based on the /margin of dumping,/ that is, the difference of the invoiced value of the imported commodity and its "value in the foreign market."

Before the announcement of its findings, the Treasury Department can authorize for the Customs Service a /withholding of appraisement/ of that commodity. However, the commodity can still be imported under the condition that the importer furnishes a guarantee or a deposit. When the investigations have been conducted and the tax determined, the tax due for the imported commodity should be submitted.

Regarding the anti-dumping law of the United States and its implementation procedures, the trade partners of other countries have expressed their grave dissatisfaction. It consists mainly of three aspects:

First, the anti-dumping investigations require too much time, and the way of handling is too open (footnote 1) [footnote not published in article] thus exercising a great impediment to trading activities. When a complaint is lodged, the Customs Service first makes an initial investigation, which normally takes from several weeks to 6 or 7 months. If the price of the imported commodity can be verified to be below the fair value, an /antidumping proceeding notice/ will be published in the "Federal Bulletin." Such an announcement is the formal beginning of the anti-dumping investigations. Afterwards, enquiry and investigation forms will be sent to the principal producer of the commodity in the exporting country, and the producer is requested to fill in the forms in detail. The contents of the forms are complicated, with a high degree of technicality. The representative of the U.S. Customs Service abroad will pay a visit to the producer in person, and check the degree of accuracy of the information furnished. The returned forms together with the report submitted by the representative are the main basis for the investigator to assess the price of the imported commodity. If material is deemed insufficient, the producer will be requested to provide further information. If the producer does not offer further cooperation, the U.S. Department of the Treasury has the right to make a conclusion on the price of the commodity on the basis of the information it possesses.

When the Office of Tariff Affairs conducts an investigation on the case afterwards, aside from the explanation or argument submitted by the producer concerned, several public hearings will be held, to be attended and testified at by the related enterprises, organizations, and individuals. The mass media gives coverage to important cases, which become important items.

After long-term and repeated investigations, the accused dumping cases often cannot be established in the end. From 1921 to 1935, about 125 anti-dumping cases were investigated, with the result that 56 cases realized the imposition of anti-dumping tax. From 1 January 1935 to 1 January 1955, there were 35 cases under investigation, but only 6 cases were imposed with anti-dumping tax. Although the majority of the cases are free of the levy of anti-dumping tax, nevertheless, once the anti-dumping investigations are made public, the import of that related commodity will be immediately affected.



With regard to some commodities under the anti-dumping investigations, many consumers and users are reluctant to purchase them after they hear the news of the investigations.

Second, withholding of appraisal greatly augments the risk of the transaction, with the result that the importer dares not import the commodity under a guarantee. Although a commodity under investigation can be imported under a signed guarantee, nevertheless, once the dumping case is affirmed, the importer has to submit a great amount of money for the tax. Furthermore, the lawsuit requires too long a time, with an increase in lawyer charges and a financial risk involved, so that the transaction amounts to more loss than gain.

Third, with regard to the requisite condition of levying anti-dumping tax -- injury to the internal industry, the United States stipulates it as "injury," while other countries generally stipulate it as "substantial injury." Such loose stipulation by the United States may easily lead to the abuse of the application of the relevant regulations.

Because of the aforesaid factors, many of the foreign exporters hold that the United States often uses the levy of the anti-dumping tax as an excuse to impose restrictions on imports. In particular, if the anti-dumping investigations are not conducted in a thoroughgoing manner or without sufficient proof, people may well doubt the objective of levying such tax.

## 2. Anti-Dumping Articles of the "General Agreement on Tariffs and Trade"

Article 6 of the "General Agreement on Tariffs and Trade" makes the following stipulations:

"1. The signatory states hold that if dumping, that is, the products of a country entering the sphere of circulation in another country at a level lower than normal value, results in material injury, or has the danger of making material injury, to an established industry within the territory of a signatory state, or seriously obstructs the establishment of a certain industry in this country, it should be condemned. In this article, a product entering the sphere of circulation in another country at the level lower than normal value refers to the price of this product from one country to another:

1) Being lower than the similar price of the same or similar product for domestic consumption in normal trade, or

2) If there is not such a price, being lower than a) the highest price of the same or similar product exported to a third country in normal trade, or b) the production cost of this product in the country of origin adding proper sales expenses and profits."

The above regulations were formulated based on the U.S. "Anti-Dumping Law of 1921." But there are also differences between the two. The main differences are: 1) The term "injury" in the U.S. law was changed into "material injury" in the "General Agreements." 2) Some new contents were added in the "General Agreement," since it is an international agreement. For example, a signatory country (importing country) can levy anti-dumping taxes on the dumped commodities which injure the industry of a third country (signatory country). For another example, if sometimes, in order to stabilize the domestic price of a certain primary product, a country makes the export price of this product lower than its domestic price, it can be dealt with as an exception.

Article 6 of the "General Agreement" deals with the anti-dumping and anti-subsidy taxes. It has little more than 10 paragraphs and has a brief and concise content. Thus, in carrying out this article, disputes often arise. In the 1950's, in order to solve the disputes among the signatory countries, the secretariat of the "General Agreement" organized a specialist group to make investigations into the levy of anti-dumping taxes by various countries, and published a report concerning this. When discussing the question of the non-tariff wall during Kennedy Round negotiations, the participating countries made many criticisms of the U.S. anti-dumping law. The United States seized this opportunity to divert this argument to making an international anti-dumping agreement through negotiation, expecting that this would help to change the situation and even bring it some benefits.

On the question of anti-dumping tax, not only has the United States been censured, but there have also been many criticisms for Canada and Britain. These two countries have never taken the "injury" of their industries as a prerequisite to levying anti-dumping taxes. Therefore, most countries hold that there should be some generally accepted international principles and unified methods for the levy of anti-dumping taxes.

As a result, the participating countries worked out at this meeting a "1967 Agreement on Implementing Article Six of the General Agreement on Tariffs and Trade," which is called briefly as the "Anti-Dumping Code of GATT." This agreement, which was signed by 18 countries including the United States, concretely explained the stipulations on anti-dumping tax in Article Six and put forth some methods for implementing it. The agreement went into effect from 1 July 1968.

The content of the new code is more comprehensive and concrete. It has remedied some defects in Article Six. Generally speaking, the following three points merit our greatest attention:

First, it solved the problem that a country can ignore the relevant stipulations of the "General Agreement" if they are inconsistent with its internal law, which was stipulated in the "Protocol on Temporary Implementation of GATT." The "General Agreement on Tariffs and Trade" signed in 1947 was originally an interim document, which was expected to be the first agreement of the "International Trade Organization," after it was established. In order to smoothly realize the abatement [jian rang 8096 6245] of tariffs mentioned in the "General Agreement," it was necessary to work out some stipulations on the rights and obligations of the signatory countries. For this reason, the stipulations of the "International Trade Organization Charter" (usually referred to as the /Havana Charter/) on international trade policy, including the stipulation on anti-dumping tax, was transferred to the "General Agreement" and became its second part. The "Protocol," which was signed in order to bring the "General Agreement" into effect from 1 January 1948, stipulates that the signatories discharge obligations to the second part of the stipulations and carry it out, to the greatest extent, within the range that they contravene their current laws (footnote2) [footnote not published in article]. For example, when the anti-dumping laws of the United States and Canada are inconsistent with the "General Agreement," they can behave in accordance with their domestic laws. However, the 1967 agreement is an independent international agreement. It has nothing to do with the above-mentioned protocol. When the signatories accept the agreement, they are duty-bound to carry it out.

Second, stricter requirements have been set on the procedures for the levying of anti-dumping duties, and some malpractices have been gotten rid of. The reason for various countries' dissatisfaction with the levying of anti-dumping duties is not the anti-dumping duties themselves, but the specific methods to carry out the taxation.

For a long time, the U.S. "Anti-Dumping Law of 1921" has been regarded as a non-tariff barrier, because the taxation procedures stipulated by this law have made it difficult for those who are charged with dumping commodities to the United States to bear unpredictable tariffs and other costs. The investigation of anti-dumping cases shows that the proportion of the cases concerning actual taxation was becoming smaller and smaller. From 1958 to 1965, of the 194 cases which had been investigated, there were only 8 cases concerning actual taxation. The "Anti-Dumping Code" stipulates: The investigation of anti-dumping and the suspension of evaluation can be carried out only after obtaining evidence showing damage. They must not be carried out on the basis of judging whether the prices of commodities being dumped are high or low, as the United States has been doing. Canada does not regard "damage" as the necessary condition for taxation. This does not comply with the sixth provision of the "General Agreement." Britain's investigation of anti-dumping duties is carried out in an excessively secret manner, without informing the persons concerned. As a result, the persons concerned are unable to air their views to the departments in charge. The stipulations of the "Anti-Dumping Code" have forced Canada to regard "damage" as a condition for taxation so as to enable Britain to be responsible for informing the exporters and importers of the investigation carried out by the government. In this way, the persons concerned can have enough opportunity to supply materials for the sake of defense.

Third, an "Anti-Dumping Methods Committee" has been established which is responsible for carrying out administrative work stipulated in the "Anti-Dumping Code," including examining the domestic law submitted by the signatory state, examining reports on the taxation of anti-dumping duties which are submitted twice a year, and handling technical problems concerning anti-dumping duties.

The "Anti-Dumping Code of GATT" came into force on 1 July 1968. The signatory countries, such as Canada, Britain, the Common Market countries, and Japan have revised or formulated their anti-dumping laws according to the code. In April 1968, the EEC worked out an anti-dumping general regulation (Council Regulation/ No. 459/68), which is completely identical to the "Anti-Dumping Code."

After 10 years, another two agreements related to Article Six of the "General Agreement" were signed in Tokyo when a non-tariff agreement was being concluded. These two agreements were the "Revised GATT Anti-Dumping Code," and the "Code on Subsidies and Countervailing Duties"/. The latter was a newly drawn up agreement. It was necessary to revise the "Anti-Dumping Code" so as to enable it to be identical with the new code. In addition, the purpose of revising the code was to unify the implementation of various anti-dumping regulations and to give clearer explanations to problems which had remained unsolved. The revised code provides renewed explanations for the causality between dumping and the damage it causes, and further defines the standards of "damage." It stipulates in a stricter manner the time limits for investigation.

The "Revised GATT Anti-Dumping Code" came into force on 1 January 1980. Up to April 1981, 27 countries, including 5 developing countries, accepted the principles stipulated by the revised code.

SECRETARY OF DEFENSE WEINBERGER ARRIVES IN PRC

Remarks in Tokyo

[Text] Tokyo, September 24 (XINHUA) -- U.S. Secretary of Defense Caspar Weinberger said here today that it was important for his country and Japan to maintain good relations with China.

In a meeting with Japanese Foreign Minister Shintaro Abe shortly after his arrival here on his way to China, Weinberger also discussed with Abe the U.S.-Soviet Euromissile reduction talks and the Soviet downing of the South Korean airliner early this month.

The Pentagon chief also met his Japanese counterpart Kazuo Tanikawa for an exchange of views on Japan's defense, in which he reiterated the U.S. Government's demand for a stronger Japanese defense buildup.

Referring to his China visit starting tomorrow, Weinberger told the Japanese minister that his talks with the Chinese leaders will be focused on technical exchanges between the two countries and the planned mutual visits by Chinese and U.S. leaders.

Cites USSR Pacific Buildup

OW260739 Beijing XINHUA in English 0713 GMT 26 Sep 83

[Text] Tokyo, September 26 (XINHUA) -- U.S. Defense Secretary Caspar Weinberger stressed here yesterday the importance of the U.S.-Japan security agreement in face of a massive Soviet arms buildup in the Pacific basin.

Addressing reporters here at the U.S. Embassy before his departure for China, the Pentagon chief said the Soviet Union maintains in the Pacific region a strong military buildup composed of massive ground force and a large naval force.

Stressing the strategic importance of the Pacific basin, Weinberger said, "the enormous expenses the the Soviets have incurred in the sixties and seventies to achieve these levels testifies to their recognition of what is at stake in these areas."

Commenting on the "total barbarity" of the Soviets in shooting down a South Korean airliner September 1, Weinberger said the U.S.-Japan security agreement is necessary in face of the Soviet threat. Without this, he added, "all of Japan...and indeed the whole Pacific basin" would be under Soviet threats.

Arrives in Beijing

OW250722 Beijing XINHUA in English 0711 GMT 25 Sep 83

[Text] Beijing, September 25 (XINHUA) -- U.S. Defense Secretary Caspar Weinberger arrived in Beijing at noon today for a five-day visit to China as guest of Chinese Defense Minister Zhang Aiping.

Weinberger is the second U.S. defense chief to visit China, following Secretary Harold Brown of the Carter administration who came in January 1980.



Chinese sources say Weinberger is scheduled to confer with his Chinese counterpart and meet with some of China's top leaders. Subjects to be discussed may include the global situation, Sino-American relations, technical cooperation and exchanges between Chinese and U.S. defense establishments.

Weinberger and his party are also expected to tour Xian, China's ancient capital where the fabulous 22-century old terra cotta figures were excavated, and Shanghai, China's largest city, before leaving China September 29, sources say.

The Chinese Defense Ministry extended an official welcome to Weinberger at a ceremony on the plaza in front of the military museum immediately after his arrival. Weinberger, accompanied by Zhang Aiping, reviewed a guard of honor made of men of the three services of the Chinese People's Liberation Army.

A welcoming dinner is in store for him at the Great Hall of the People this evening.

Feted by Zhang Aiping

OW251817 Beijing XINHUA Domestic Service in Chinese 1533 GMT 25 Sep 83

[Text] Beijing, 25 Sep (XINHUA) -- The Chinese Defense Minister, Zhang Aiping, said at a banquet welcoming U.S. Defense Secretary Caspar Weinberger here tonight that exchange of views between the two countries on their bilateral relations and other issues of common concern will help promote mutual understanding and develop relations between the two countries.

Weinberger said in his reply that the United States hopes to develop with China an enduring relationship that recognizes both their common interests and their differences. He said contacts between the two countries in the defense, cultural, political and economic fields will contribute to the mutual understanding necessary to such an enduring and valuable, friendly relationship.

Zhang Aiping said the Chinese Government and people have all along followed the five principles of peaceful coexistence and on this basis developed the ties of friendship with all other countries.

He said China will never invade other countries and it will absolutely not allow other countries to encroach upon China's sovereignty or occupy even an inch of Chinese territory. He stressed China's independent foreign policy which means that China will not attach itself to any big power or bloc of powers. China will never yield under foreign pressure.

In the spirit of independence and self-reliance, he said, we are fully confident that we will be able to develop our country and armed forces. At the same time, he added, China is willing to enter into sincere and fruitful cooperation with all friendly countries so as to accelerate national construction and the building of its armed forces.

Weinberger said he looks forward to an exchange of views about global and regional issues, as well as bilateral matters in the spirit of mutual friendship and confidence. Continuing contacts between the leaders of the two countries, and between the two peoples are of great significance, Weinberger said.

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PRC INTERNATIONAL AFFAIRS  
UNITED STATES

He said the United States welcomes the visit of Chinese Foreign Minister Wu Xueqian to the United States next month and anticipates other high-level visits by both sides to develop further their bilateral relations.

Present at the banquet were Xu Xin, deputy chief of the General Staff of the Chinese People's Liberation Army; Wu Shaozu, vice-minister of the commission in charge of science, technology and industry for national defence; Zhu Qizhen, assistant foreign minister; and leading members of the P.L.A. Navy, Air Force and Beijing Garrison. Arthur W. Hummel, Jr., U.S. ambassador to China, was also among the guests.

Secretary Weinberger and his wife arrived in Beijing at noon today for an official visit at the invitation of Minister Zhang Aiping. The Ministry of National Defense held a welcoming ceremony for Weinberger this afternoon. Weinberger, accompanied by Zhang Aiping, reviewed a guard of honor of the PLA ground, naval and air forces.

#### Talks with Zhang Aiping

OW260744 Beijing XINHUA in English 0720 GMT 26 Sep 83

[Text] Beijing, September 26 (XINHUA) -- Chinese Defense Minister Zhang Aiping and U.S. Defense Secretary Caspar Weinberger held their talks here this morning. Chinese sources close to the talks said the two defense chiefs exchanged views on issues of common interest in a friendly and candid manner. The two sides agreed that the three-hour discussions were useful.

In an informal chat before the talks started, Zhang Aiping said: "There is an old Chinese saying, 'a friend coming from afar brings me immense pleasure'." "There is another old Chinese saying," he went on, "which says: 'coming from afar, you must have brought something to benefit our country'."

To this, Weinberger replied: "It's we who'll be doing the learning. This is my first trip to China and my principal mission is to listen and learn. We can learn more from listening than from talking."

#### LI PENG MEETS U.S. NUCLEAR ENERGY DELEGATION

LD240009 Beijing XINHUA in English 1347 GMT 23 Sep 83

["Li Peng Meets American Energy Delegation" -- XINHUA headline]

[Text] Beijing, September 23 (XINHUA) -- China is willing to let American entrepreneurs compete to supply nuclear power equipment on an equal footing, Chinese Vice-Premier Li Peng said here today. He said this while meeting a U.S. nuclear energy delegation led by Ambassador-at-Large Richard Kennedy.

He said China has already reached agreements with France and Britain in this field and has contacts with other countries for supplying China with equipment for nuclear power stations. American entrepreneurs also showed great interest in doing the same, he added.

Kennedy said that their talks with their Chinese counterparts showed sincerity in the peaceful use of nuclear energy between the United States and China. Each side acquired a better understanding of the other's position through the talks. He said he hoped more talks would eventually lead to a "sound and mutually acceptable" agreement.



Li Peng said development of nuclear energy in China is not only to meet the energy shortage at present but also for the future. Coal, oil and hydropower will remain the main energy sources for the remaining years of this century and nuclear power will be an auxiliary energy source in China, he said.

The U.S. delegation held talks with a Chinese delegation from September 20 to 23 on cooperation in the peaceful use of nuclear energy. The two sides discussed a draft agreement on this cooperation.

Chinese sources said that the talks were held in a frank and friendly atmosphere and progress was made. They agreed to continue the talks at a time convenient to both sides.

#### ZHANG JINGFU MEETS U.S. 'AGROBUSINESS' DELEGATION

LD240013 Beijing XINHUA in English 1349 GMT 23 Sep 83

["Zhang Jingfu Meets Missouri Guests" -- XINHUA headline]

[Text] Beijing, September 23 (XINHUA) -- State Councillor Zhang Jingfu today told a U.S. agrobusiness trade mission that China is very happy to have foreign enterprises run joint farm chemicals and chemical fertilizer ventures. If the conditions are not available, China would go into cooperative production instead, Zhang added. At a meeting with the mission from Missouri, led by Governor Christopher S. Bond, he said that China's agriculture relies on policy and science, and that the country is willing to import fine plant and livestock strains and advanced agrotechniques.

Governor Bond said that Missouri hopes to cooperate with China in the fields of agriculture and chemical industry.

#### ZHANG JINGFU MEETS RCA TECHNICAL STAFF FELLOW

LD240049 Beijing XINHUA in English 1413 GMT 23 Sep 83

["Zhang Jingfu Meets American Scholar" -- XINHUA headline]

[Text] Beijing, September 23 (XINHUA) -- State Councillor Zhang Jingfu met here this afternoon with Kern K.N. Chang, fellow of the technical staff of the Radio Corp. of America, and his wife. The couple arrived here for a visit as guests of the Chinese Academy of Sciences.

#### BEIJING OPERA THEATRE DEPARTS FOR U.S. TOUR

OW240817 Beijing XINHUA in English 0729 GMT 24 Sep 83

[Text] Beijing, September 24 (XINHUA) -- People in Texas and Louisiana of the United States will soon see China's Beijing Opera.

A performing troupe of the China Beijing Opera theatre left here this morning for U.S. at the invitation of the Texas-Louisiana China Cultural Society. Beijing opera is a traditional Chinese play genre with a history of 200 years. The repertoire of the 23-member troupe includes fairy tales and historical plays. This is the first time a Beijing opera troupe performs in the two U.S. states.

TIKHONOV WARNS OF COUNTERMEASURES IF TALKS FAIL

LD240149 Beijing XINHUA in English 1913 GMT 23 Sep 83

["Soviet Premier on Deployment of Euromissiles" -- XINHUA headline]

[Text] Moscow, September 23 (XINHUA) -- Soviet Premier Nikolay Tikhonov said on September 20 that the Soviet Union would take without delay countermeasures "in order to preserve the balance of forces" in Europe as well as in the world should the Geneva Talks fail and new U.S. missiles start to be deployed in Western Europe. Tikhonov made his statement in an interview with Manfred Scheuch, editor-in-chief of the Austrian newspaper ARBEITER ZEITUNG. The Soviet newspaper PRAVDA reported Tikhonov's remarks today.

Referring the Geneva Talks on the deployment of medium-range missiles, Tikhonov recalled the stand as was stated by the Soviet authorities so far. For instance, he insisted on including the missiles of Britain and France in the talks. On the world developments, Tikhonov charged the United States with stepping up armament race and aggravating the international tension, but denied that the deployment of SS-20 missiles and the military intrusion into Afghanistan by the Soviet Union were also causes for the current "cold war" atmosphere in the world. Tikhonov also accused the United States of its policy of aggression in Central American countries.

USSR REJECTS REAGAN'S 'NEW PROPOSAL' ON EUROMISSILES

OW230913 Beijing XINHUA in English 0737 GMT 23 Sep 83

[Text] Moscow, September 22 (XINHUA) -- A TASS commentary said tonight that U.S. President Ronald Reagan's "new proposal" concerning Euromissile talks "is unacceptable to the Soviet Union."

Judging by what has already been disclosed, it went on, "what the U.S. Government means to do is to deploy new Pershing-II and cruise missiles in Western Europe under any circumstances." It said, "It is obvious that by his proposal, Reagan is 'juggling with public opinion' rather than helping the talks make actual headway." It reiterated the Soviet demand that the nuclear weapons of Britain and France be counted into the U.S.-Soviet Geneva bargaining.

In Geneva, the chief Soviet negotiator indicated that the new U.S. proposal did not make him more hopeful of an agreement. Attacking the U.S. military strategy and reiterating the tough stance of the Soviet Union on the Euromissile issue, Soviet Chief of General Staff Marshal Nikolay Ogarkov said in a long article carried by TASS today that Washington was stubbornly making preparations for the deployment of new missiles in Western Europe as the means of a first strike against the Soviet Union. Observers here noted that it is unusual for the Soviet Union to turn down Reagan's new proposal even before it is officially put forward.

USSR CONDUCTS SIX UNDERGROUND NUCLEAR TESTS

OW241920 Beijing XINHUA in English 1857 GMT 24 Sep 83

[Text] Stockholm, September 24 (XINHUA) -- The Soviet Union today conducted six strong underground nuclear tests northwest of the Caspian Sea, the (?Swedish) news agency reported. The detonations were recorded with exactly five minutes intervals from 0700 to 0725 Swedish time, and were measured to between 5.9 and 6.2 on the Richter Scale. It was reported that the Soviet Union undertook four nuclear tests last October and three last May in the Caspian Sea area.

JAPAN SIGNS CONTRACT FOR BOHAI OIL EXPLOITATION

OW231127 Beijing XINHUA in English 1105 GMT 23 Sep 83

[Text] Beijing, September 23 (XINHUA) -- A contract for joint production of offshore oil platforms to be used in the development of Chengbei oilfield in Bohai Sea was signed between China and Japan today. Zhang Jingfu, state councillor, was present at the signing ceremony. Chengbei oilfield has an area of 11.5 square kilometers. Seventeen oil wells have been drilled there since Sino-Japanese joint exploration began in 1980. Production is scheduled to begin in 1986.

The China Offshore Platform Engineering Corporation and Mitsubishi Heavy Industries Ltd., will undertake the construction of platforms for oil production, living quarters and storage. China's Dalian shipyard and the Tianjin new harbor shipyard will subcontract the construction of two platforms, one for production and one for living quarters.

The contract was signed by Cao Dean, deputy general manager of the China Bohai Oil Company; Kenjiro Taguchi, managing director of the Japan-China Chengbei Oil Development Corp; He Zhigang, deputy general manager of the China Offshore Platform Engineering Corporation; and Nishijima Teruhiko, managing director of Mitsubishi Heavy Industries Ltd.

LEADERS MEET JAPANESE PETROLEUM IMPORTERS

## Wang Zhen Meeting

OW240851 Beijing XINHUA in English 0800 GMT 24 Sep 83

[Text] Beijing, September 24 (XINHUA) -- Wang Zhen, member of the Political Bureau of the Chinese Communist Party Central Committee and honorary president of the China-Japan Friendship Association met and had a cordial talk with a delegation from the Japan-China Petroleum Import Association this morning. The delegation is led by Yasuoki Takeuchi, chairman of the association and director of the Nippon Oil Company.

## Zhang Jingfu Meeting

OW241246 Beijing XINHUA in English 1238 GMT 24 Sep 83

[Text] Beijing, September 24 (XINHUA) -- State Councillor Zhang Jingfu met here this afternoon with a delegation from the Japan-China Petroleum Import Association led by its Chairman Yasuoki Takeuchi.

ZHU XUEFAN RECEIVES JAPANESE YOUTH DELEGATION

OW240841 Beijing XINHUA in English 0759 GMT 24 Sep 83

[Text] Beijing, September 24 (XINHUA) -- Zhu Xuefan, vice-chairman of the Standing Committee of the National People's Congress, met and had a cordial talk here this morning with a Japanese youth delegation led by Kenichiro Hirano, associate professor at Tokyo University.

XINHUA COMMENTATOR ON HONG KONG'S PROSPERITY

OW240132 Beijing XINHUA in English 0106 GMT 24 Sep 83

["All-Out Support of Chinese Mainland Crucial to Hong Kong's Prosperity -- XINHUA commentator --" -- XINHUA headline]

[Text] Beijing, September 23 (XINHUA) -- Of late, British officials and press have been giving wide publicity to the argument that Hong Kong's prosperity cannot be maintained without British administration.

Colin Moynihan, secretary of the Foreign Affairs Committee of the British Conservative Party, said in an interview with Hong Kong's HU BAO on September 14 that "the British role in Hong Kong is the key to its economic stability", and that in order to "maintain Hong Kong's economic stability," Britain "cannot give up its right of administration over Hong Kong."

The FINANCIAL TIMES said in an article on August 16, "the best way of assuring Hong Kong's continued prosperity and stability is through a continuing British-linked administration." John Calvert Griffiths, attorney general in Hong Kong recently described the British political system in Hong Kong as "the cornerstone for maintaining confidence" and a "prerequisite to the promotion of prosperity."

This argument that Hong Kong's prosperity is impossible without Britain is a major excuse Britain has resorted to in opposing the recovery by China of its sovereignty over Hong Kong and in trying to continue its colonial rule there.

However, this argument is not based on facts and is therefore untenable. The prosperity of Hong Kong in the past 30 years or more has been mainly the result of the diligence, wisdom and meticulous management of the over five million Hong Kong residents, of whom over 98 percent are Chinese compatriots. Another very important factor for Hong Kong's prosperity has been the vigorous support given by the Chinese mainland in various fields during a long period in the past.

The Chinese Government has always attached great importance to the maintenance of Hong Kong's prosperity and stability and made enormous efforts for it. For example, in 1973 when Hong Kong received 10 percent less oil supply than normal because of the worldwide energy crisis and people in Hong Kong were in great anxiety, a mission of the British authorities was hurried to the Chinese mainland for fuel oil. In response, the Chinese mainland dispatched a special ship with 5,000 tons of light diesel on November 20, 1973 and another shipment of the same volume in late December. In 1974, the Chinese mainland provided as much as 300,000 tons of oil for Hong Kong. The then Hong Kong Deputy Colonial Secretary Clinton had this to say, "as the Middle East oil supply is expected to fall by 10 percent, the oil coming from China is no doubt most welcome."

It should be noted that at that time oil was also in urgent need on the Chinese mainland and that it was a vital commodity on the international market. But China did not sell oil on the international market for fabulous profits; instead it provided Hong Kong with this precious commodity which was taken from its own savings.



Another example is the fresh water supply which has been a constant problem in Hong Kong. In 1961, when the Chinese mainland was in the depth of a three-year natural calamity, it started the first phase of a water supply project in Shenzhen to relieve the fresh water shortages in Hong Kong. The second phase of the project began in 1968 when China was again in economic difficulty, this time resulting from the disruption by the "gang of four". The third phase of the project is now under way, which is aimed at meeting Hong Kong's demand for 350 million gallons of water daily for ten months a year.

Food and other daily necessities from the Chinese mainland make up the major part of those consumed in Hong Kong. In 1982, for example, the mainland supplied for Hong Kong: 2,470,000 pigs, 97.24 percent of the Hong Kong's market demand; over 30,000 tons of fish, 85.1 percent of the demand; eggs, 82 percent; rice, 56 per cent; and toilet tissue, 92 percent.

In mid-May last year, transportation on some sections of the Beijing-Guangzhou railway were disrupted by floods. Even so, supplies to Hong Kong continued thanks to the efforts made by inland provinces. For instance, Hunan and Jiangxi Provinces rushed pig supplies to Hong Kong by road; Shandong and Liaoning Provinces shipped cattle on the hoof by sea; while Guangdong and Fujian Provinces and Guangxi Autonomous Region also shipped supplies of fresh but perishable goods. As a result, although the Beijing-Guangzhou railway service was suspended for about two weeks, supplies of daily necessities for Hong Kong were not affected. It is obvious that without the uninterrupted supply of daily necessities from the Chinese mainland at stable prices for years, Hong Kong's inflation would have been worse and its cheap labor market would have lost its material basis.

On the other hand, the Chinese mainland is one of the chief trading partners of Hong Kong. Last year the growth rate of Hong Kong's export trade dropped from 18 percent to 3 percent. However, it was precisely in this slack period of export business that Hong Kong trade with the Chinese mainland became flourishing, with its export volume up by 30 percent from 2,924 million Hong Kong dollars (433 million U.S. dollars) to 3,806 million Hong Kong dollars (564 million U.S. dollars). The Chinese mainland thus became the fourth biggest trading partner of Hong Kong.

As for Britain, its purchases in Hong Kong decreased by 523 million Hong Kong dollars last year.

It should also be noted that the total value of goods made in the mainland and reexported through Hong Kong grew from 12.834 billion Hong Kong dollars to 14.693 billion, an increase of 14.5 per cent.

Thanks to the mainland's substantially increased purchases from Hong Kong and its increased exports through Hong Kong, Hong Kong managed to achieve a three percent increase in its export trade last year while the whole world was suffering a recession.

MING PAO, a Hong Kong newspaper, said in an editorial on January 31, 1974, "the cheap materials from the mainland constituted one of the major factors that boosted Hong Kong's industry after World War Two. This has enabled Hong Kong to maintain a fairly low cost of living for a long time. The reduction of production cost has made Hong Kong goods more competitive on the world market."

It is also said, "the more the mainland invests in Hong Kong, the more secure Hong Kong's prosperity is." These comments of ten years ago still serve well to be an objective and fair judgement on who has maintained Hong Kong's prosperity at last.

The hard work of the local residents, the vigorous support from the Chinese mainland, and the superior geographical location of Hong Kong, characterized by its closeness to the Chinese mainland and its fine natural harbor, have all been the exceptional advantages in making the Hong Kong economy prosper and develop.

Internationally, the comparatively steady development of trade and economy in the past 20 years in the Asian and Pacific region has been an important condition contributing to Hong Kong's economic development and prosperity and its growth into an international trading and financial center. Of course, some of Britain's policies and measures and administrative methods have also played a role. But they were by no means the main and decisive factors, still less the only factors.

Hence, to attribute Hong Kong's prosperity to British Government alone and make it an excuse for opposing the recovery by China of its sovereignty over Hong Kong is untenable, as it runs counter to facts both of history and the present.

#### PRC ECONOMISTS URGE UNITY, COOPERATION ON HONG KONG

OW241757 Beijing XINHUA in English 1633 GMT 24 Sep 83

[Text] Hong Kong, September 24 (XINHUA) -- Hong Kong's economy will become more stable and prosperous as long as the Chinese there unite and turn their wisdom to good account while the British authorities take a wise and cooperative attitude toward China's sovereignty over Hong Kong.

This view was expressed by a group of eminent Chinese economists in an interview with XINHUA. The scholars, Xu Dixin, Huan Xiang, Qian Junrui and Yu Guangyuan, who were guests of the Hong Kong Bureau of XINHUA NEWS AGENCY, have left at the end of their visit here.

They attributed the past achievements in Hong Kong's economy chiefly to the hard work of the residents of Hong Kong and the support of the mainland. They urged the British authorities to take a wise and cooperative attitude in maintaining Hong Kong's prosperity.

During their stay here they exchanged views with people in different walks of life and newsmen on Hong Kong's future and visited factories and financial institutions.



COVERAGE OF TUNISIAN ASSEMBLY DELEGATION'S VISIT

## NPC Holds Banquet

LD240133 Beijing XINHUA in English 1652 GMT 23 Sep 83

["Chinese N.P.C. Holds Banquet in Honor of Tunisian National Assembly Delegation" -- XINHUA headline]

[Text] Beijing, September 23 (XINHUA) -- China condemned Israeli act of aggression and reaffirmed its support for the just struggle of the Arab and Palestinian people here today. At a banquet in honor of a delegation from the Tunisian National Assembly this evening Peng Chong, vice-chairman of the National People's Congress Standing Committee, expressed the belief that the Arab and Palestinian people will win a final victory as long as they strengthen their unity in their struggles. The Tunisian Government has pursued a non-aligned policy and opposes power politics. It actively supports the national liberation of African peoples and the just struggle of the Palestinian people, he said.

Speaking of the existing traditional friendship between the Chinese and Tunisian peoples, Peng Chong said cooperation between the two countries in political, economic, and cultural fields is developing constantly. He spoke highly of the achievements of the Tunisian people in developing their economy and national culture under the leadership of President Bourguiba.

Mahmoud Messadi, president of the Tunisian National Assembly and head of the delegation, said the visit will help increase mutual understanding and cooperation between the two parliaments and open up new fields for cooperation. He said both countries condemn neo-colonialism, Zionism and racism. "We safeguard the Palestinian cause, i.e. the independence, liberation and right of self-determination of peoples," he said. Efficient cooperation between countries must be based on peaceful co-existence, mutual respect for each other's sovereignty and independence, and non-interference in each other's internal affairs, he added.

The delegation arrived here this afternoon at the invitation of the N.P.C. Standing Committee.

## Meets Li Peng

LD242127 Beijing XINHUA in English 1352 GMT 24 Sep 83

["Vice-Premier Li Peng Meets Tunisian Guests" -- XINHUA headline]

[Text] Beijing, September 24 (XINHUA) -- Chinese Vice-Premier Li Peng said he appreciated the efforts of the Tunisian Government and people for peace in the Middle East and unity of the Arab countries. He said this at a meeting with a delegation from the Tunisian Chamber of Deputies led by its President Mahmoud Messadi today. He expressed the belief that Messadi's present China visit would help enhance the traditional friendship between the two countries.

Messadi said that the Tunisian people paid high tribute to the efforts made by the Chinese people for the prosperity and progress of their country. He said both Tunisia and China belong to the Third World, and they are now working for the development of the national economies. Bilateral economic and technical cooperation has broad prospects, Messadi said.

## Meets Peng Zhen

OW251116 Beijing XINHUA in English 1100 GMT 25 Sep 83

[Text] Beijing, September 25 (XINHUA) -- It is a common task of the people of all countries to oppose hegemonism and defend world peace, and the Third-World countries and all peace-loving people in the world should unite to counter the threat to world peace by the super powers, said a Chinese leader today while meeting a Tunisian delegation. In a conversation with the delegation from the Tunisian chamber of deputies led by its President Mahmoud Messadi, Peng Zhen, chairman of the National People's Congress Standing Committee, said that China and Tunisia have common interests and hold identical views on many issues. "There are broad prospects for the two countries to develop friendly relations on the basis of equality and mutual benefit," he said.

President Mahmoud Messadi said Tunisia has a strong desire to develop friendly relations with China. Contacts between the two legislative bodies will help increase mutual understanding and friendship between the two peoples and promote their cooperation and development of both countries, he said. "We are glad to witness the achievements made by the Chinese people in the political, economic and other fields and have found their experience helpful to us," he said.

After the meeting, Peng Zhen feted the Tunisian guests. Vice-Chairman of the N.P.C. Standing Committee Peng Chong was present.

## Meets Li Xiannian

OW251834 Beijing XINHUA in English 1318 GMT 25 Sep 83

[Text] Beijing, September 25 (XINHUA) -- Chinese President Li Xiannian said here today that China has consistently stood on the side of the Third World countries. This policy remains unchanged. Li Xiannian said this at a meeting with a delegation from the Tunisian chamber of deputies led by its President Mahmoud Messadi at the Great Hall of the People this afternoon.

In a friendly conversation Li Xiannian briefed the guests on China's positive and negative experience in building socialism. He said that to undertake construction, China requires a peaceful environment. "However, peace cannot be achieved by begging for it, and it can only be achieved through the common struggle by the people of various countries," he added.

Li Xiannian spoke highly of the friendly relations and cooperation between the two countries. He said he believed that such cooperation would grow stronger and expand with the development of China's economy.

Messadi said "We, like other Third-World countries, have admired Chinese people's achievements very much."

"Your review of your past experience and lessons shows precisely the correctness of your policies. It also demonstrates that the Chinese people are capable of overcoming their own difficulties and have generated new vigor and strength," he said.

Messadi said: "The Third World countries can draw on the experience you have gained on the road of your advance. To exchange each other's experience is one of the ways of cooperation."

YANG SHANKUN ADDRESSES XINJIANG CADRES

OW260001 Beijing XINHUA Domestic Service in Chinese 1258 GMT 24 Sep 83

[By JIEFANGJUN BAO reporter Fan Wenming and XINHUA reports Su Xinfu and Gu Yuezhong]

[Text] Urumqi, 24 Sep (XINHUA) -- Yang Shangkun, member of the Political Bureau and vice chairman of the Military Commission of the CPC Central Committee, addressed a meeting of party, government and army cadres in Xinjiang on 23 September. He called on PLA commanders and fighters and cadres and people of various nationalities in Xinjiang to follow the example of communist pioneers and revolutionary martyrs such as Chen Tanqiu, Mao Zemin and Lin Jilu, carry forward the revolutionary spirit of hard struggle for and devotion to the cause displayed by revolutionaries of the older generation, and contribute to developing, building and defending Xinjiang.

During his investigation, study and inspection tour in Xinjiang, Yang Shangkun visited Yining, Turpan, Shihezi and other places. In his speech, he first told about his four impressions of the Xinjiang trip:

1. Xinjiang is a vast region;
2. Xinjiang has abundant resources;
3. People of various nationalities in Xinjiang live in unity and harmony and they are diligent and brave; and
4. Party, government and army organizations in Xinjiang have made achievements in the last few years.

He added: To develop Xinjiang and the entire vast northwestern region and build Xinjiang into one of China's important bases by the 21st century is a long-range plan put forwarded by the party Central Committee. Now the task rests on the shoulders of all cadres, people of various nationalities and PLA commanders and fighters in Xinjiang. Therefore, army men and people in Xinjiang should have high aspirations, a sense of urgency and a sense of responsibility. We should race against time, do intense and still more solid work, accelerate economic development and further strengthen our Army.

Yang Shangkun said: At present our four-modernization tasks are heavy, as are our Xinjiang development tasks. We must strengthen ideological work to mobilize the initiative of all concerned. Although we have strengthened ideological work in the last few years, problems still exist in some respects. We should keep pace with the plan of the party Central Committee. We should clearly explain to everyone that it is not yet time for us to enjoy comfort the rest of our lives, that we should continue to endure hardships and strive hard in doing pioneering work for the rest of our lives. We are of the generation that plants trees to provide a shade for future generations. In addition, we should further solve the problem of "putting money above all else" and other unhealthy spiritual problems in society. The General Political Department has called for attention to the grassroots level. I think that PLA units should primarily pay attention to company-level units. In order to deal with company-level units, we should first deal with their party branches and party members. After party branches are well taken care of we will be able to do all other work well and to resist various types of spiritual corrosion in the society.

Yang Shangkun emphatically pointed out: If we do not have great unity among people of various nationalities we will be unable to build our country well. This is particularly true of the building of Xinjiang. Unity is the foundation.

Only after we achieve unity can we do a good job in production and economic development. A developed economy will in turn promote unity. For this reason, the party Central Committee and its Military Commission pay particular attention to unity among various nationalities and between army men and other people in Xinjiang.

Yang Shangkun pointed out: It has been 40 years since Comrades Chen Tanqiu, Mao Zemin and Lin Jilu sacrificed their lives. They propagated communist thinking in Xinjiang at the hardest time. People are very much moved by the spirit they displayed in bravely giving their lives to overthrow the three big mountains [imperialism, feudalism and bureaucratic-capitalism] to liberate all of China. If we regard them as pathbreakers in Xinjiang, we ourselves should serve as builders of Xinjiang. If we carry forward their spirit, there is nothing we cannot do well in Xinjiang.

#### ALL-ARMY TECHNICAL INNOVATION MEETING ENDS

OW240039 Beijing XINHUA Domestic Service in Chinese 1411 GMT 23 Sep 83

[By reporter Li Xiuqing]

[Text] Beijing, 23 Sep (XINHUA) -- An all-Army work meeting on technical innovations in weapons and equipment urged all comrades in the Army, from the top down, to go into action to further develop the mass technical innovation campaign so as to improve weapons and equipment and achieve the goal of national defense modernization at an early date. The 7-day meeting concluded today. During the meeting Yang Dezhi and Zhang Aiping, deputy secretaries-general of the Central Military Commission, came and delivered speeches.

Yang Dezhi pointed out: Improving equipment is important in modernizing our Army. Success in that work, of course, depends on the economic strength of our country and on efforts made by the departments of defense science research and industrial production. However, the Army itself also has a heavy responsibility. All comrades in the Army, from the top down, should work hard together to improve equipment and continue to develop in a down-to-earth way the campaign for technical innovations in weapons and equipment. It is imperative to concentrate our limited funds and our main technical task force on key projects and to do a conscientious job of popularizing and applying the results of technical innovations.

Zhang Aiping stressed: The PLA, which uses weapons, and the departments that develop and produce weapons cannot do without each other. They should cooperate closely and work strenuously to bring our Army's weapons and equipment to the advanced level and to make them better on a continuing basis.

The meeting was held at a new high tide in the vigorous mass campaign developed in the whole Army for making technical innovations in weapons and equipment. To meet the needs of early modernization of our Army in the new situation following the 3d Plenary Session of the 11th CPC Central Committee, all PLA units have resumed quickly and developed further their technical innovation work which was disrupted during the 10 years of turmoil. In a short span of only a few years the broad masses of commanders and fighters have made more than 12,000 technical innovations in weapons and equipment by cooperating with various departments concerned. These innovations have played a role in improving and strengthening our Army's weapons and equipment, thus raising its combat capabilities under modern warfare conditions.



The meeting summed up the experience of the whole Army over the years in developing technical innovations in weapons and equipment, studied measures to further improve such work and commended 22 advanced collectives and 28 advanced individuals with striking achievements in making technical innovations. The meeting was attended by leading comrades from all general departments and major units of the PLA, cadres from PLA departments in charge of science, technology and equipment work, representatives from the Ministries of Machine-Building Industry, Aeronautics Industry, Electronics Industry, Ordnance Industry and Astronautics Industry as well as representatives from the General Shipbuilding Industry Corporation.

Leaders See Arms Exhibit

OW232156 Beijing XINHUA Domestic Service in Chinese 1406 GMT 23 Sep 83

[By reporter Li Xiuqing]

[Text] Beijing, 23 Sep (XINHUA) -- Recently central leading comrades visited an all-Army exhibition on technical innovations in weaponry and equipment. Vice Chairmen of the Central Military Commission Ye Jianying, Xu Xiangqian, Nie Rongzhen, and Yang Shangkun either wrote inscriptions for the exhibition or sent letters extending greetings to the exhibition. Ye Jianying wrote an inscription which reads: "Strengthen the efforts to build equipment; increase the strength of our national defense." The inscription by Xu Xiangqian reads: "Strive to improve our weapons and equipment so as to speed up the modernization of our national defense."

After watching with interest a videotape on the exhibition, Nie Rongzhen wrote a letter which contains these encouraging words: "Putting together the fruitful results of technical innovations made by the masses for display at an exhibition and holding a meeting to popularize these results and exchange related experiences is a highly advantageous undertaking. In modernizing our Army's weapons and equipment, not only is it necessary to concentrate our efforts on developing advanced new weapons and equipment, but what is more important, we should fully mobilize the masses and develop intellectual resources to make technical innovations."

The joint inscription by Yang Shangkun, Yu Qiuli, Yang Dezhi, Zhang Aiping, Hong Xuezhi, and Wang Ping reads: "Strengthen the efforts to make technical innovations so as to raise the level of our Army's weapons." Wang Zhen, Yang Shangkun, Yang Dezhi, Yu Qiuli, Yao Yilin, Qin Jiwei, Gu Mu, Tian Jiyun, Ji Pengfei, Zhang Jingfu, Zhang Aiping, Wang Bingqian, and president of the Chinese Academy of Sciences Lu Jiaxi watched the exhibition with interest. They spoke highly of the achievements made in technical innovation by the PLA units.

The exhibition opened on 5 September and concluded today. It displayed nearly 1,000 items, which reflected the excellent situation of the whole Army with comrades at all levels working vigorously on technical innovations in an effort to build better equipment and to modernize our national defense at the earliest possible date.

#### OVER 31,000 CRIMINALS SURRENDER TO POLICE

OW230951 Beijing Domestic Service in Mandarin 2230 GMT 22 Sep 83

[Text] The decisions on severely punishing criminals who gravely endanger public security and on the procedure to swiftly try them -- adopted at the Second Session of the Sixth NPC Standing Committee -- have won popular support, according to a report by ZHONGGUO FAZHI BAO correspondent (Zhao Haixiao). In firm response to these decisions, the broad masses have stood up to criminal offenders.

According to statistics compiled by departments concerned, political and law enforcement organs in all parts of the country have received from the people more than 440,000 reports accusing criminals of violating the law and committing crimes. Awed by the power of the people's democratic dictatorship and moved by the CPC's policies, more than 31,000 criminals have given themselves up to public security agencies.

The broad masses are helping public security agencies arrest criminals while the families of criminal offenders are also supporting and assisting police and other public security personnel in their work.

#### XINHUA COMMENTS ON EXCESSIVE BONUSES, ALLOWANCES

OW231449 Beijing XINHUA Domestic Service in Chinese 0153 GMT 23 Sep 83

[XINHUA commentator's article: "Money Cannot Buy Production Enthusiasm"]

[Text] Beijing, 23 Sep (XINHUA) -- At present a problem in economic work merits our attention; that is, some departments and enterprises have issued excessive bonuses on all sorts of pretexts, causing the total amount of bonuses issued to the country's workers and staff members to increase annually, which may be beyond our control.

According to information provided by departments concerned, because of the continuing yearly increase of bonuses issued their increase rate has far exceeded that of labor productivity. The total amount of bonuses issued to the country's workers and staff members in the first 7 months of this year increased by 15.3 percent over that of the same period last year.

Units that issued excessive bonuses and allowances have defended their practice by explaining that they were issued "in order to bring into full play the production enthusiasm of the workers and staff members." This explanation does not stand in theory and will not work in practice.

To harness workers' and staff members' production enthusiasm, it is necessary to first implement the principle of "to each according to his work" and "more pay for more work" and, second, to rely on ideological and political work to raise the communist consciousness of workers and staff members and enhance their sense of responsibility as their own masters. Neither should be overemphasized at the expense of the other.

Egalitarianism in distribution can dampen the production enthusiasm of workers and staff members; so can excessive issuance of bonuses and allowances, because such a practice also violates the principle of "to each according to his work" and "more pay for more work". Failure to reward or punish as deserved is taboo in military affairs. It is no less true in the management of enterprises.

Brushing aside ideological and political work, some units have frequently tempted workers and staff members with money, using bonuses and allowances as the most effective way to harness their production enthusiasm. In doing so, these units have damaged the interests of the state and the enterprise while fostering the idea of "putting money above all else," thus guiding workers and staff members into such evil practices as more work for more money, less work for less money, and no work for no money and causing lax discipline, a do-nothing mentality, contradictions, and differences of opinion in their ranks. The idea of "putting money above all else" is a bane to economic work and a corrosive poisoning the mind of workers and staff members. It should be pointed out that money can never buy the production enthusiasm of the working class for socialist construction. Even if it seems to work for a while it will not last forever. As for the excessive issuance of bonuses and allowances, it is even more harmful.

The 23 September XINHUA report concerning the changes made by the 14th plastic materials plant in Beijing is very enlightening. At first the plant always used money to buy the production enthusiasm of its workers and staff members.



The results were contrary to its expectation: Workers and staff members gradually lost their enthusiasm and production stagnated. Later the plant canceled the various subsidies that should not have been issued but were issued on all sorts of pretexts. It has conscientiously implemented the principle of "to each according to his work" and paid keen attention to ideological and political work, thereby promoting the production and creating a new atmosphere among the workers and staff members that they should be masters of enterprise and not slaves of money.

One should be a master of the enterprise and not the slave of money. We must vigorously advocate this invaluable spirit of being our own masters and, at the same time, implement the principle of "to each according to his work" and "more pay for more work."

#### TRADE UNION FEDERATION MEETING CONCLUDES

Xi Zhongxun, Others Speak

OW241814 Beijing XINHUA in English 1648 1648 GMT 24 Sep 83

[Text] Beijing, September 24 (XINHUA) -- The forthcoming 10th Chinese national trade union congress "should be a mobilization order for workers to go all out and brace up to march towards the socialist modernization program." This remark was made by Xi Zhongxun, member of the Political Bureau of the Central Committee of the Chinese Communist Party, at the fifth meeting of the 9th executive committee of the All-China Federation of Trade Unions (ACFTU) which closed here today.

Preparatory work for the 10th national congress was discussed and examined during the seven-day meeting. The closing session was presided over by Ni Zhifu, member of the Political Bureau of the Central Committee of the Chinese Communist Party and president of ACFTU.

The convening of the 10th congress will be a major event for trade union organizations at all levels, Xi Zhongxun said, adding that the party Central Committee attaches great importance to it, while all workers and trade union cadres also have great hopes for it.

He said that great achievements have been made in the Chinese workers' movement and in trade union work since the convening of the 9th national congress in 1978. The 10th congress should review the work of the past five years, summarize experience, affirm achievements and define tasks for the future, he said.

As China's leading class, Xi Zhongxun noted, the working class should stand in the forefront of the nation's modernization, while bringing into play its role as the main force. He noted that the success of China's modernization program depends largely on the improvement of economic results and the quality of enterprises. To do this, he said, it is imperative first and foremost to improve the quality of the workforce.

He said that a new leading body will be elected at the forthcoming congress. He called for a successful transition from old to new trade union cadres and for cooperation between old and new cadres.

Hao Jianxiu, alternate member of the Secretariat of the CPC Central Committee, said young workers -- the main force in China's modernization drive -- account for 50 to 60 percent of the country's 110 million workers in the country today. A great amount of hard work must be done to ensure that this force will become more revolutionary, better educated and more professional, she said. She urged trade union organizations to improve workers' ideological and political work and step up their general education and vocational training.

The closing session chose a date for the convening of the 10th national trade union congress and the congress agenda.

#### Resolution Seeks Law, Order

OW260228 Beijing XINHUA Domestic Service in Chinese 0838 GMT 24 Sep 83

[Text] Beijing, 24 Sep (XINHUA) -- The fifth meeting of the ninth executive committee of the All-China Federation of Trade Unions adopted a resolution today calling on workers and staff members throughout the country to actively participate in maintaining social order and strike hard at criminal offenses.

The resolution says: A struggle to deal harsh blows at criminal activities is developing in all parts of the country. The struggle reflects the strong wish and demand of the masses, represents the interests of China's working class and people of all nationalities and receives firm support and warm responses from the masses of workers and staff members.

The resolution calls on the masses of workers and staff members to demonstrate their fearless revolutionary heroism; actively assist and cooperate with the public security, procuratorial and judicial departments; resolutely expose and strike at serious criminal offenders and maintain social order.

The resolution calls on trade unions at all levels to do good propaganda work among the masses and mobilize and organize them well in the course of the struggle; vigorously publicize and commend good people and good deeds in the struggle against criminals; widely promote education on the legal system in order to strengthen the legal and moral concepts of the masses of workers and staff members and their families and children so that they will learn, understand, observe and defend the law and strive to be models in observing law and discipline; and educate workers and staff members to heighten their vigilance, strictly guard against criminals waiting for an opportunity to retaliate and sabotage, insure the safety of the masses lives and property and the smooth progress of various construction projects, and bring about a fundamental turn for the better in social order.

#### National Congress Date Set

OW260107 Beijing XINHUA Domestic Service in Chinese 0753 GMT 24 Sep 83

[Text] Beijing, 24 Sep (XINHUA) -- The fifth meeting of the ninth executive committee of the All-China Federation of Trade Unions, which ended today, decided that the 10th national congress of Chinese trade unions will be convened in Beijing on 18 October.

Items on the agenda of the 10th national congress of Chinese trade unions are: examination and adoption of the work report by the ninth executive committee to the 10th national congress of Chinese trade unions; examination and adoption of the "Constitution of Chinese Trade Unions"; examination and adoption of the trade unions' financial work report by the ninth executive committee to the 10th national congress of Chinese trade unions; election of the 10th leading organ of the All-China Federation of Trade Unions; and commendation of the advanced grassroots trade unions, advanced trade union groups, advanced trade union workers and trade union activists.

The fifth meeting of the ninth executive committee calls on trade union organizations at all levels and the masses of trade union members to follow the guidelines of the 12th party congress, closely rally and mobilize workers and staff members of all nationalities throughout the country to fully display their spirit as masters of the country and greet the convocation of the 10th national trade union congress with concrete actions.

OFFICIAL ON KEY PROJECTS' 'EFFICIENT MANAGEMENT'

HK250448 Beijing CHINA DAILY in English 25 Sep 83 p 4

["Special to CHINA DAILY" Article by Xu Ming, counsellor to State Planning Commission: "Key Project Funds Merit Efficient Management"]

[Text] Recently, people have become concerned about carrying out the decision that financial and material resources should be concentrated on construction of the key State projects. Why has the decision been made? What measures will be taken to put it into effect? What influence will it have on restructuring the economic system and people's life?

All these questions deserve our close attention.

Last year, investment in capital construction far exceeded the target set by the State plan, thus straining transport facilities and supplies of energy and raw materials. As a result, some capital construction projects had to be curbed.

Of total investment in capital construction, the percentage of budgetary investment has been dropping in recent years. This is the major reason why construction of some key projects has been running smoothly.

The decreasing percentage of State investment in capital construction, however, has been caused by the decreasing proportion of State revenue in national income -- from 37.2 percent in 1978 to 26.1 percent in 1982.

Last year, national income increase by 27.8 percent compared with 1978, while State revenue decreased by 13 percent as against 1978.

According to a recent estimate, the gross value of industrial production of the first five months of this year showed an 8.2 percent increase over the corresponding period last year. But the increase in State revenue was only 0.1 percent. Such a trend must be reversed before we are able to guarantee the key capital construction projects all they need.

China's State revenue comes mainly from two sources -- profits and taxes handed over to State by State-owned enterprises. The performance of State-owned enterprises has a direct bearing on State revenue. The situation in this area, however, has been unsatisfactory for more than 20 years.

In 1957, the original value of the fixed assets of State-owned enterprises and their circulating funds totalled 92.3 billion yuan. Its proportion to national income of the same year was 1 to 1. But in 1981, that proportion became 2.1 to 1. That means return on investment had decreased sharply.

## Returns

The ratio of total investment to revenue was 9:1 in 1981 against 3:1 in 1957. A rough calculation shows, if the present return on investment was the same as was in 1957, there would be 300 billion yuan more in national income and 200 billion yuan more in revenue each year without increasing investment. Thus, to improve management of enterprises and to raise economic efficiency are imperative to ensure the outlay of funds for key projects.

Concentrated use of material resources is also important. Lack of proper guidance and failure to exercise sufficient controls on capital construction investment outside the State budget have strained energy, transportation and raw materials. Some measures have been taken to tackle the problem. But equally important is how to use material resources more efficiently. In 1980, the cost of materials consumed for every 100 yuan of national income was 79 percent higher than that of 1957.

The efficiency in use of energy was 55 percent lower in the Fifth Five-Year Plan (1976-1980) than in the First Five-Year Plan (1953-1957).

So far as capital construction itself is concerned, economic effectiveness is also a major problem. From 1950 to 1981, total economic investment exceeded 700 billion yuan. But only 76 percent of this has become fixed assets. And only 71 percent of these fixed assets has been put into use.

Owing to the above and other reasons, all measures taken for concentration of financial and material resources on key projects are centered on raising efficiency. They are not a retreat from the economic restructuring but a push for implementation of the present policies. For instance, State-owned enterprises will pay income tax instead of turning their profits over to the State, and the powers enjoyed by enterprises according to the related regulations will not be reduced -- but management must be improved, production cost lowered and efficiency raised. Practices such as selling products regardless of the state plan and issuing bonuses in violation of the regulations must stop.

## ECONOMIC PAPER HOLDS HUNAN FORUM ON IMPROVEMENTS

HK240601 Changsha Hunan Provincial Service in Mandarin 2310 GMT 23 Sep 83

[Text] The editorial board of JINGJI CANKAO [ECONOMIC REFERENCE] held a forum in Changsha on the afternoon of 23 September. Hunan Provincial CPC Committee Secretary Jiao Linyi attended and spoke. JINGJI CANKAO is run by the XINHUA NEWS AGENCY. The main purpose of the Changsha forum was to seek readers' views, improve the quality of the paper, and expand its circulation.

Comrade Jiao Linyi said at the forum: JINGJI CANKAO plays a very great role in economic construction by helping readers get to know domestic and international economic and market trends and scientific and technical information. He suggested that the propaganda and postal departments in the province do a good job in publicity and distribution work. Responsible comrades concerned of provincial CPC Committee and government departments concerned attended the forum.

## COMMERCIAL SCIENCE, TECHNOLOGY MEETING ENDS

OW251106 Beijing XINHUA Domestic Service in Chinese 1235 GMT 24 Sep 83

[By RENMIN RIBAO reporter Pan Gang and XINHUA reporter Qiu Yuan]

[Text] Yantai, 24 Sep (XINHUA) -- A national meeting on commercial science and technology closed on 24 September in Yantai.



The meeting pointed out the necessity of seriously undertaking commercial modernization, enhancing economic results and social effects, and gradually improving backward management, technology, and equipment.

The meeting held: Our commerce now has various shortcomings, including a serious shortage of marketing outlets and facilities, too many intermediate links, poor market forecasts, poor management, backward technology and equipment, and poor-quality workers and staff members. The problems are worsening, to the detriment of the four modernizations and the people's livelihood. We should have an overall plan and various commercial departments should have specific plans for commercial modernization. We should have an overall plan and various commercial departments should have specific plans for commercial modernization. We should gradually mechanize, electrify, and automate commodity examination, packaging, storage, transport, loading, and unloading, transmission of commodity information; and commercial enterprise management and operation.

The meeting decided to make great efforts to run schools and take various measures to train management personnel and technicians for modern commerce. The representatives from various localities hold that because our country still has economic difficulties, the commercial department should rely primarily on improving management and economic results in order to raise more capital.

ARTICLE SAYS PEASANTS 'RICHER, BUILD MORE HOUSES'

HK240712 Beijing CHINA DAILY in English 24 Sep 83 p 4

["Special to CHINA DAILY" by Gi Mingchen, director of the Research Office of the Institute of Urban and Rural Construction and Economy: "Peasants Richer, Build More Houses"]

[Text] There has been an upsurge in house building by China's peasants in recent years. There are two reasons for this: the amount of work done by government authorities and the peasants' increased prosperity.

First, the policies on legal ownership of private houses have been clarified. During the "Cultural Revolution," peasants who built their own homes were accused of "taking the capitalist road." The first national working conference on house construction in rural areas at the end of 1979, reaffirmed that peasants owned houses which had been built with their own funds, materials and labour. The conference also decided that, where possible, communes and brigades should give assistance to peasants.

Almost immediately, house building began to boom in rural areas. In 1980, 500 million square metres of housing space went up. By 1982, the figure had increased to 600 million square metres against an average in 1978 and 1979 of 200 million square metres.

The government then tried to solve the problem of excessive use of arable land in house-building. Since per capital arable land averages only 0.1 hectares in China -- far below the world's average -- saving land is closely linked to economic development.

In 1982, after an investigation, the State Council published rules for house-building land in rural areas. Various provinces, municipalities and autonomous regions then set a limit for standard house plots. By the end of 1982, authorities in some area were charging work units and peasants for housing land. Prices varied with size and quality. In this way, encroachment on arable land was checked.

Authorities also began holding competitions for peasant house design. The winners had all considered economy in land use.

House builders were being urged to consider the needs of the overall layout of a village or town. The second national working conference on housing construction in rural areas in 1981 emphasized that planners should aim for unified village and town design rather than merely hastening house construction.

In 1982, preliminary regulations were promulgated. These laid down the scale of villages and towns and how land should be allotted. Public funds were then reallocated so as to include subsidies for public facilities in rural areas such as libraries, bath houses and shops.

The Sixth Fifth-Year Plan (1981-85) approved by the fifth session of the Fifth National People's Congress at the end of 1982, stipulated that all villages and market towns should complete construction plans before 1985.

But many areas do not have enough specialists in planning, designing and surveying. In 1982, authorities at all levels organized short-term classes to train 114,000 specialists.

This year, another 200,000 are being taught.

Supplies of building materials have fallen short of demand, and this will take time to solve. So, in the near future, housing built each year in rural areas will stabilize at around 600 million square metres.

It is expected that by the year 2000 each peasant family member will have one room. There will also be more and better public and private facilities in China's villages and market towns.

#### RURAL CENTER SAYS SPECIALIZED HOUSEHOLDS MOUNTING

OW241423 Beijing XINHUA in English 0718 GMT 24 Sep 83

[Text] Beijing, September 24 (XINHUA) -- Almost one out of every ten households in rural China is engaged in some occupation other than farming.

According to the China Rural Development Research Center, of the 170 million peasant households, 16 million are engaged in sideline occupations in one way or another. In Shanxi, Jiangxi and Liaoning Provinces, such households account for 15 percent. Sideline occupations include breeding of poultry, fish, cattle and sheep, garment processing, weaving, planting and medicinal herbs, processing of agricultural and sideline produce and long-distance transport. Some households are engaged in seasonal sidelines while mainly doing farming. Shanxi Province reported that people in 38 villages are taking up sideline occupations.

The China rural development center said that more and more households specialize in grain production. They contract more land and carry out farming on a scale larger than formerly. Grain-raising households account for 34.2 percent of specialized families and those breeding animals, poultry and fish account for 32.5 percent.

Specialized households emerged over the last four years with the introduction of the contract system. The rural areas began to have more surplus labor and money for other undertakings.

More and more peasants have begun to direct their surplus funds to development projects, such as setting up forestry farms or breeding farms. In Guangdong, Fujian and Zhejiang Provinces, many peasants are breeding marine products on coastal seabeds. In Shanxi, Guizhou and Hunan, peasants contract for barren hills to plant fruit and timber trees.

The number of households engaged in transportation, commerce, service trade and processing of agricultural and sideline produce is also on the increase.

As more and more households take up occupations other than farming, peasants have begun to ask households still engaged in farming to take over their land for them in order to secure the annual grain ration. This has resulted in a concentration of land. Chinese economic experts feel this will facilitate the development of commodity production and lead to division of labor in the countryside.

#### STATE FARMS COMBINE FARMING, COMMERCIAL ROLES

OW252133 Beijing Domestic Service in Mandarin 1200 GMT 24 Sep 83

[Commentary by station reporter: "The Broadening Road of Integrated Farming, Industrial, and Commercial Operations for State Farm and Land Reclamation Departments"]

[Text] Since the 3d plenary session of the 11th party Central Committee, in accordance with a decision of the party Central Committee and the State Council, state farm and land reclamation departments have begun to set up joint farming, industrial, and commercial enterprises on a trial basis. At present 70 percent of the state farms in the country have done this, and 359 joint enterprises have been established. Practice in the past several years has shown that it is in line with the law of agricultural economic development in our country for state farm and land reclamation departments to follow the road of integrated farming, industrial, and commercial operations, a road which will become broader and broader.

State farm and land reclamation departments in our country had for a long time been simply raw materials producers and were not authorized to market the products of those raw materials. This management system restricted the economic growth of state farm and land reclamation departments and was an important cause for their chronic losses.

The practice of integrating farming, industrial, and commercial operations is a major reform of the old management system of agricultural economy. The reform has broken the economic stereotype that state farms should engage only in farming, has promoted rapid growth in industrial and agricultural output of the farms, and has brought better economic results.

According to statistics of 223 joint farming, industrial, and commercial enterprises, their total industrial and agricultural output value in 1982 increased by 49 percent over that of 1978, an average annual increase of 10.5 percent. What is even more encouraging is the fact that state financial subsidies to these joint enterprises and investment capital construction for them have reduced each year, while taxes paid to the state by these enterprises and funds they raised on their own for capital construction have increased each year. State farms have acquired the capability to expand reproduction, and the living standards of their workers and staff members have begun to improve. Thus the economy of the state farm and land reclamation departments has embarked on a development road of benign cycles.

The running of joint farming, industrial, and commercial enterprises by state farms has also invigorated the market. The direct link between production and marketing, particularly the direct movement to the market of some special local products and processed goods which are in short supply and must be kept fresh, is welcomed by consumers.

At present, however, some units and localities still do not fully understand the great significance in having state farm and land reclamation departments engage in integrated farming, industrial and commercial operations, and they still place obstacles within their areas of jurisdiction.

We must continue to break down the barriers between the ownership of localities and departments and expand joint farming, industrial, and commercial operations so that enterprises run by the state farm and land reclamation department can truly play an exemplary role in agricultural modernization and make still greater contributions to national economic development.

#### GUANGMING RIBAO ON APPRAISING ECONOMIC SYSTEM

HK230845 Beijing GUANGMING RIBAO in Chinese 11 Sep 83 p 3

[Article by Luo Jingfen: "Commenting on Several Questions of the Economic System"]

[Text] What Is the Criterion for Judging and Appraising an Economic System?

When appraising the effect of an economic system, should we mainly look at the speed of economic growth? Of course an economic system has a great bearing on economic development. A good economic system must be able to ensure rapid economic growth. However, in a socialist country which is practicing planned economy, the objective, orientation, structure, and growth speed of the economy are all decided by the central decisionmaking organ in the form of formulation of a unified state plan. When an economic system is being chosen and established, considerations are mainly given to how to ensure realization of the targets specified by state plans. Economic growth speed is determined by many factors. In a certain sense, the decisive factor is whether the targets of state plans are realistic and reasonable or whether they conform to the country's conditions and capacity. If errors occur in the economic decisionmaking process, economic development will encounter major setbacks even though the economic system is good.

Some people say that whether economic plans and decisions can be made correctly is also an issue related to the economic system and that a good economic system should be favorable to making correct economic plans and decisions. In a certain sense this argument is reasonable. If we have a perfect decisionmaking system and procedure, which is fully democratic, we may be able to reduce errors in the decisionmaking process and rest our plans on a scientific basis. For example, in the course of dealing with major issues of economic development a brain trust should first gather and analyze sufficient information data, make a technical and economic appraisal, and work out several schemes for selection, then submit them to the central decisionmaking authorities for deliberation and final decision. However, because of the intricacy of economic phenomena and the limitation of man's knowledge, it is hard to avoid errors completely even though a plan has been studied and discussed repeatedly by many people. Therefore, a good economic system can help enhance the degree of correctness of planning but it cannot thoroughly prevent errors.

In addition, the economic development of a country is always affected by its domestic material and technical conditions and by the situation in international markets.



Therefore, when comparing the results of economic development in different countries, we should take into account the influence of their different conditions and should distinguish this influence from the results brought about by their different economic systems.

An economic system should act as a means for achieving planned targets. The socialist planned economy thus determines the orientation and steps of economic reform. Therefore, whether the process of economic development is in line with the demands of state plans in regard to priority, ratios, and economic results and whether the economy can develop to the target specified by state plans should be taken as a key criterion for assessing whether the reform of the economic system is successful and for testing whether the concrete steps and measures for the reform are in line with the purposes of the reform. Can we put it in this way?

#### How Can We Describe the Basic Characteristics of An Economic System?

Can we divide economic systems into centralized and decentralized categories? Some people hold that for a long time in the past, the economic system in our country was mainly characterized by a high degree of centralization and by administrative management; while other people hold that in the 30 years and more after the founding of the PRC, decentralization prevailed longer than centralization did, and that overdecentralization still prevails at present. In a certain sense both viewpoints are reasonable, but both are inaccurate.

We all know, in our country the economic system mainly includes two aspects: 1) the economic relationship between the socialist state and grassroots economic units; and 2) the economic relationship between the central authorities and local authorities inside the state structure. Things in these two aspects are completely different. Over the past 30 years and more, for a fairly long time, the relationship between the state and grassroots economic units was mainly characterized by the fact that state authorities (including central and local authorities) excessively used direct administrative means to bring the concrete production and business activities of grassroots units under rigid control; thus the grassroots units lacked necessary decisionmaking power in handling their business. In view of this, the economic system indeed showed the characteristics of the centralization category. However, things are different in the relationship between the central and local authorities. Deviations of both excessive centralization and decentralization have occurred before, and excessive decentralization is still the prevailing deviation. The phenomena of localism and decentralism demonstrate this deviation. This problem shows the characteristics of the decentralized category.

It is correct to place the stress of the economic institutional reform on readjustment of the relationship between the state and grassroots economic units to grant greater decisionmaking power to the enterprises in handling their business. In this regard we have paid due attention in the reform since 1979. However, this does not mean that we have properly solved the problem existing in the relationship between central and local authorities, nor does it mean that it is not important to prevent the excessive swell of the power of localities. At present, local governments at various levels are all running industry and they have their independent financial resources. Therefore, we are always faced with the problem of how to handle the relationship between central and local authorities. This problem is rather complicated and troublesome, because now various central departments of the State Council are situated at the same administrative level as the provincial, municipal, and autonomous regional governments, which tend to insist on the system conforming to their local interests. Therefore, the study of our country's economic system must include the two aspects: the relationship between the state and grassroots economic units and the relationship between central and local authorities.

So, it is not proper to describe our economic system simply as one in the centralized category or as one in the decentralized category. To describe the characteristics of our economic system accurately, we should separate the problem of relationship between state and grassroots economic units from the problem of relationship between central and local authorities, and should work out different measures to deal with these different problems. Otherwise our viewpoint may be one-sided.

#### What Should We Consider To Differentiate Centralization From Decentralization?

What should we consider to judge whether an economic system is a centralized system or a decentralized system? Should we view this in terms of the distribution of financial resources or in terms of the division of power over economic management (of course, we can view this from still other fields)?

Admittedly, in most cases the division of the power over economic management coincides with the distribution of financial resources. When the power over economic management is centralized the use of financial resources is also centralized; conversely, when the power over economic management is decentralized, financial resources are also used in a decentralized way. However, these two aspects sometimes may not coincide. For example, although grassroots economic units or authorities at a lower level are granted greater power for managing their business and the economy, they may still not be able to gain a bigger share of financial resources in the initial distribution; or even if the state distributes more financial resources to them, the higher authorities can still use administrative or economic means to ensure that grassroots units and lower authorities must strictly follow the state's stipulations on the orientation and quantity of the use of these financial resources. In this case the power of economic management is decentralized, but the use of financial resources is still centralized. Of course, a converse situation may also exist, in which grassroots units and lower authorities do not have great power for economic management but have large quantities of financial resources at their disposal.

Ours is a large socialist country but is also a poor country. We are now facing the great task of conducting modern socialist construction. To achieve success in some decisive projects, we must mobilize the strength of the whole country and must concentrate necessary material and financial resources. At the same time it is necessary to strengthen the management of funds and materials at the disposal of localities. At present, financial resources are excessively scattered. The central authorities cannot but incur debts with localities. This state of affairs must be changed. Of course the concentration of financial resources should also be appropriate, and it is necessary to decide on reasonable ratios between key construction and general construction and between productive construction and nonproductive construction. In any case, however, it is not proper to centralize the power for managing enterprises' business to too high a degree. To further arouse the initiative of the grassroots units, we should actively create conditions (such as by improving market supply and demand and making use of economic levers and economic regulations in a comprehensive and planned way) to ensure that enterprises can independently and effectively manage their daily production and business affairs under the premise of guaranteed state control of accumulation and consumption funds through economic, administrative and legal means. The higher authorities should not intervene directly in the internal affairs of the enterprises in an elaborate way. In this regard, the decentralization of power is certainly favorable to the development of commodity production and exchange, to coincidence between production and demand, and to specialized cooperation, which will lead to better economic results.

By so doing, economic managements in government at all levels will be able to free themselves from the present tedious jobs of directing and adjusting the enterprises' production and marketing, and to concentrate on acting as advisers to authorities in charge of economic decisionmaking and planning. These departments should also play a role in the formulation of coordinated plans, in cooperation and supervision, and in technical guidance and consulting service.

#### VICE PREMIER LI PENG INSPECTS NEI MONGGOL PROJECT

SK251017 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 24 Sep 83

[Text] Li Peng, vice premier of the State Council, came to our region to inspect the Tongliao power plant -- the state's key construction project -- on 19 September.

During his inspection tour, Vice Premier Li Peng extended regards to the broad masses of workers and technical personnel in charge of the construction task and heard briefings given by responsible comrades of the construction headquarters. Vice Premier Li Peng was satisfied with the progress of the project. He called on the construction workers to conscientiously study the experience in diverting water from the Luanhe River to Tianjin, strengthen ideological and political work, carry out construction work in a civilized manner, pay attention to quality, reduce the quoted price, pay attention to safety and ensure that the project will be completed, and put into operation to generate electricity on schedule.

#### DENG LIQUN PRESIDES AT NATIONAL LIBRARY CEREMONY

OW231138 Beijing XINHUA in English 1109 GMT 23 Sep 83

[Text] Beijing, September 23 (XINHUA) -- The cornerstone for the new complex of the National Library of China was laid today. This is one of the 70 key projects for China's Sixth Five-Year Plan period.

"When the new complex is finished, the library will become one of the biggest modern libraries in the world," said Li Jiarong, deputy director of the library. The new complex will include a 22-story main building for storage of 20 million books, 36 reading rooms with seats for 8,000 people, a catalogue hall with a computer-controlled system and an audio-video data building.

A model of the new complex was displayed at the construction site. The main buildings will be roofed with blue glazed tiles and the exterior will be painted white. Small Chinese style gardens and lawns will link the buildings. Sculptures and frescoes will be built in some of the halls.

Deng Liqun, head of the Propaganda Department of the Central Committee of the Chinese Communist Party, presided over today's ceremony. Zhu Muzhi, minister of culture, and Chen Xitong, mayor of Beijing, delivered brief speeches.

Founded in 1910, the library now has a storage of 11 million books, magazines and other items. It is the biggest public library in China.

The new complex was designed by the architecture designing institute of the Ministry of Urban and Rural Construction and Environmental Protection and the Northwest Architecture Designing Institute of China. The project is expected to be finished by 1986.



DENG LIQUN ENCOURAGES RED, EXPERT STUDENTS

OW251006 Beijing XINHUA Domestic Service in Chinese 1528 GMT 24 Sep 83

[Excerpt] Beijing, 24 Sep (XINHUA) -- The 7-day second meeting of the appraisal board of the State Council's National Academic Degrees Committee ended on 24 September. Deng Liqun, secretary of the CPC Central Committee Secretariat and director of the CPC Central Committee Propaganda Department, made an important speech at the closing meeting.

Deng Liqun said: In cultivating doctors and masters we are actually cultivating a national team for scaling scientific heights. Because the nature of our state is people's democratic dictatorship which must adhere to the four basic principles, we demand that people who attain the levels of doctors and masters must be both expert and red. Academically they should equal the world's top level, while politically they must adhere to the four basic principles; under no circumstances should they go against the four basic principles.

Deng Liqun stressed: The whole party, from the party Central Committee down to party committees at all levels, must strengthen ideological-political work, adhere to the four basic principles, keep to the four political guarantees, and persist in promoting socialist spiritual civilization while endeavoring to achieve material civilization of a higher degree. Not only must party committees at all levels list this task in their major agenda; those doing ideological work in departments -- including educators in schools, theoretical workers in research institutes, literary and art workers of the cultural department, journalists, movie and television workers, broadcasters, book and periodical publishers -- should do so also. All those doing ideological and political work in these departments must take up the responsibility, perform this task well, and strive to eliminate spiritual pollution in all ideological spheres so that members of our society will all gradually become workers who have ideals, keep to moral principles, are well educated and observe discipline.

Deng Liqun expressed the hope that tutors for doctors and masters, postgraduate students, and all workers in the field of social science must carry on the fine study style of integrating theory with practice.

Zhang Guangdou, vice chairman of the State Council's National Academic Degrees Committee, presided over the closing ceremony. He Dongchang, vice chairman of the same committee, made a summary report.

DENG YINGCHAO ON WRITING HISTORY, PATRIOTISM

OW241124 Beijing XINHUA in English 1100 GMT 24 Sep 83

[Text] Beijing, September 24 (XINHUA) -- The collection, editing, research and publishing historical data were an important content and indispensable part in the country's united front work, said Deng Yingchao, chairman of the National Committee of Chinese People's Political Consultative Conference, here today at the closing session of the fourth national meeting in this concern.

She called for extensive collection and careful selection of data so as to play greater role in helping the broad masses, young people in particular, to educate themselves in patriotism and communist ideology.

The work should be conducted in the spirit of seeking truth from facts to effect comprehensive, and precise evaluation of historical events and figures, she said.



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In his summary speech of the meeting, Yang Chengwu, vice-chairman of the CPPCC National Committee and director of its Historical Data Research Committee, said that when conditions are ripe, historical data should be solicited from abroad, some publications in this regard should be distributed overseas.

The collection covers all fields in political, military and economic affairs, culture, religion, nationalities, Overseas Chinese and social life, dated from the reform movement of 1898 to 1966, the year the "Cultural Revolution" began.

[A report on the meeting by Beijing XINHUA Domestic Service in Chinese at 1151 GMT on 24 September adds the following: "Attending the 24 September meeting were Vice Chairmen of the CPPCC National Committee Yang Jingren, Cheng Zihua, Kang Keqing, Hu Ziang, Qian Changzhao, Dong Qiwu, Miao Yuntai, Zhao Puchu, Ye Shengtao, and Qu Wu."]

#### DENG YINGCHAO WRITES NAME FOR YOUTHS' PALACE

SK260528 Tianjin City Service in Mandarin 0030 GMT 26 Sep 83

[Text] As a demonstration that older proletarian revolutionaries take an active interest in the healthy growth of the younger generation, Comrade Deng Yingchao wrote in her own hand the name of the Tanggu Youths' and Juveniles' Palace -- which is under construction -- on the eve of the 34th anniversary of the PRC's founding, thus greatly enhancing the morale of people engaged in youth and juvenile work in Tanggu District.

The Tanggu Youths' and Juveniles' Palace now being built is a 7-story building with a total floor space of over 7,000 square meters. With a seating capacity of 5,000, this palace will be the greatest activity center for youths and juveniles in Tanggu District. This palace covers some 30 activity rooms. At present, the frame of this building has already been built and completion of the interior and exterior is underway.

#### EXPORT ITEMS TO RECEIVE QUALITY LICENSES

OW230903 Beijing XINHUA in English 0818 GMT 23 Sep 83

[Text] Beijing, September 23 (XINHUA) -- China has decided to issue quality licences for exported machine tool products to guarantee them up to international standards.

The licences will be first granted this year to general lathe, twist drill and three other products, according to a decision made by the Ministry of the Machine-Building Industry and the State Administration for the Inspection of Import and Export Commodities.

Only licensed products can be exported, said an official from the state administration. Those failing to meet international standards will not. [sentence as received]

China's export of machine tools has been growing rapidly over the past few years. The quality licence will encourage enterprises to turn out more top quality products, he said.

CPPCC INSPECTION GROUP PAYS VISIT TO JIANGSU

OW251035 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 24 Sep 83

[Text] An eight-member inspection group from the CPPCC National Committee arrived in Nanjing on 22 September to check on policy implementation. Secretary Han Peixin and Deputy Secretary Sun Han of the Jiangsu Provincial CPC Committee visited and had a cordial conversation with them on the evening of their arrival.

On 23 September, Liang Shangren, deputy director of the provincial CPC Committee's United Front Work Department and secretary general of the provincial CPPCC Committee, briefed members of the group on the progress in implementing policy in Jiangsu.

On the morning of 24 September, the inspection group was further divided into three teams. These teams then held forums with 13 members of the CPPCC National Committee in Nanjing to hear their opinions.

The group is headed by Yang Fangzhi, member of the Standing Committee of the CPPCC National Committee; and its deputy heads are Li Ding, member of the CPPCC National Committee and deputy director of the CPC Central Committee's United Front Work Department, and Zhang Chukun, member of the CPPCC National Committee, Standing Committee member of the All-China Federation of Returned Overseas Chinese and member of the China Democratic League Central Committee.

Members of the group included Li Chunqing, member of the Standing Committee of the CPPCC National Committee and vice chairman of the Taiwan Democratic Self-Government League; Gu Jinxin -- female -- member of the CPPCC National Committee and vice president of the Chinese Red Cross Society; and (Zheng Wen), researcher of the CPC Central Committee's Party School.

NANJING PLA COMMANDER ATTENDS WOMEN'S RALLY

OW230935 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 22 Sep 83

[Text] On 21 September the Nanjing PLA units held a rally to relay and implement the guidelines of the fifth national women's congress. Xiang Shouzhi, commander of the Nanjing PLA units, entrusted by the All-China Women's Federation and the PLA General Political Department, presented silk banners, certificates, and medals to the first squad, sixth company under a certain communications station, which is a national "8 March" red-banner collective in Nanjing, and to (Tang Zhugui), a national "8 March" red-banner pacesetter, and (Chen Fengzhen), a medical officer with the No 125 hospital.

(Tang Zhugui), deputy director of No 127 hospital under the Nanjing PLA units' Logistics Department, who was once cited for meritorious service, first class, and who is a representative to the women's congress that was commended by Comrade Kang Keqing in her report, relayed the congress' major guidelines at the rally.

Wei Jingshan, director of the Political Department, spoke. He urged party committees and political organizations at all levels to attach importance to and strengthen work concerning women, pay special attention to bringing up women cadres, and promote fine women cadres to leading posts of public health, scientific and technological research, cultural, educational, and other departments. Efforts should be made to carry out education in protecting women's and children's legitimate rights among the ranks. At present, special attention should be paid to cracking down on criminal activities that violate women's and children's legitimate rights. We should care for the livelihood of women comrades and pay earnest attention to helping them solve difficulties in livelihood.

SHANDONG: RAO SHOUKUN'S PARTY CONGRESS REPORT

SK231354 Jinan DAZHONG RIBAO in Chinese 7 Sep 83 p 1

[Excerpts] The fifth party congress of the Jinan PLA units ceremoniously opened on 6 September.

At the congress, Rao Shoukun delivered a work report on behalf of the Fourth CPC Committee of the Jinan PLA units. His report is in three parts. The first part of his report is entitled: "The Review of the Work Done in the Period Since the Fourth Party Congress." He stated: Since the 3d Plenary Session of the 11th CPC Central Committee and particularly since the inauguration of Comrade Deng Xiaoping to the Military Commission under the CPC Central Committee, the Jinan PLA units have enjoyed an excellent situation that they have not enjoyed for many years. Its major manifestations are as follows: 1) the consciousness of acting in unison ideologically and politically with the CPC Central Committee has been markedly **heightened**; 2) the building of the party has been steadily strengthened; 3) the systematic reform and the work to streamline structure and to reorganize troops have been carried out smoothly, and the new step of building cadres contingents in conformity with the four requirements has been taken; 4) gratifying achievement in building socialist spiritual civilization has been made; 5) a new level of war preparedness and military training has been upgraded; and 6) marked achievements in the building of logistic service have been made. In his report Rao Shoukun summed up the following four basic experiences gained by the Jinan PLA units in improving or strengthening the party's leadership and in leading the PLA units to realize historic changes: 1) we must act in unison ideologically and politically with the CPC Central Committee; 2) we must vigorously strengthen the party's ideological and political work; 3) we must strengthen the collective leadership of the party committees and improve the party's democratic life; and 4) we must pay attention to studying the new situation and solving new questions.

The second part of his report is entitled: "Efforts Should Be Made To Upgrade the Standard of Revolutionary, Modernizing, and Regularizing the Jinan PLA Units." He pointed out: In the crucial period from now to the end of 1984 it is necessary to lay a solid foundation so as to make stable progress in the building of the armed forces. To this end, it is imperative to succeed in closely integrating army building work with reality and in continuously launching the campaign of deeply studying and implementing the spirit of the 12th CPC Congress. In studying the spirit of the 12th CPC Congress, it is necessary to integrate the study with the campaign of studying the important instructions given by the CPC Central Committee and its Military Commission in various periods and with the campaign of studying revolutionary theories. Efforts should be made to proceed from reality and to earnestly carry out the drive for reform. It is necessary to resolutely do a good job in conducting systematic reform, streamlining structure, reorganizing troops, and in vigorously strengthening the building of leading bodies and cadres contingents at all levels so as to enable the establishments of army units to be more scientific, rational, and small in number but highly trained, and to enable cadres contingents to be more revolutionized, younger, knowledgeable, and specialized. It is necessary to deeply implement the strategic principle of active defense and to become well prepared for anti-aggression wars. Efforts should be made to realistically put education and military training in a strategic position so as to steadily upgrade the quality of politics and training among army units, and the art of cadres' commanding, and to expand the realm of cadres' knowledge. Efforts should be made to regard as a central task the measure to foster fighting coordination among various service arms. It is necessary to further implement Comrade Hu Yaobang's instruction given in May 1981 at the Jinan PLA units and to do a good job in the building of socialist spiritual civilization with communist ideology at its core. Efforts should be made to stand in the forefront of building socialist spiritual civilization.

According to the requirement of peace-time construction and future wars, army units should vigorously strengthen the building of logistic services. Efforts should be made to further strengthen the building of reserve forces and to do a good job in integrating the militia system with the system of reserve duties in line with the organizational system and work requirements. Continuous efforts should be made to upgrade the military quality of reserve duty personnel and to bring into full play the backbone role of militiamen in building the two civilizations. It is necessary to carry forward the fine tradition of supporting the government and cherishing the people, to do a good job in arousing both the army and civilians to mutually build spiritual civilization, to actively support local areas to build major projects and public utilities, to join the operation of rushing to deal with an emergency and providing disaster relief to continuously do a good job in conducting "double support" work so as to create a new situation in the unity between the army and the government and between the army and the people.

The third part of Comrade Rao Shoukun's report is entitled: "It Is Necessary To Build Party Organizations at All Levels Into Strong Centers of Leading Army Units To Create a New Work Situation." In his report he pointed out: It is imperative to regard party rectification as the first important task of building the party, to strengthen the building of party committees and the party's work to conduct discipline inspection, and to improve a down-to-earth manner the style of leadership of work and do a good job in realistically grasping the building of grassroots level organs.

#### SHANGHAI REPORTS FORMER REBEL LEADER ARRESTED

OW252319 Shanghai City Service in Mandarin 2300 GMT 24 Sep 83

[Text] According to a WEN HUI BAO report, Xu Guangcheng, formerly a core member of the rebels in the Shanghai branch of the China Machinery Import and Export Corporation, has long been a willful troublemaker, violating law and discipline, and disturbing the normal work of the organization. Recently he was taken into custody for examination by public security authorities.

During the decade of internal disorder, (Xu Guangcheng) became a leader of the Red Guard rebel organization in the Shanghai Machinery Import and Export Corporation. In 1968 he handled special cases with the special case group in the Foreign Trade Bureau and the Central Trust of China, where he engaged in obtaining confessions by compulsion and giving them credence, and persecuted the cadres and masses. Because he actively worked for the gang of four, (Xu Guangcheng) was regarded as an important trainee candidate for party membership. In August 1975 he was admitted to the party despite his lack of qualifications.

After the downfall of the gang of four, (Xu Guangcheng) kept silent about the serious mistakes he had committed during the Cultural Revolution and admitted only the minor ones, totally failing to see his own problems. In view of (Xu Guangcheng's) lack of qualifications as a party member when he was admitted and his poor performance after admission to the party, he was deprived of his party membership in July 1982. (Xu Guangcheng) resented the way he was handled by the party organization and repeatedly provoked quarrels and made trouble. He often menaced cadres and threatened that he would kill somebody to avenge himself. In the past year he constantly provoked quarrels in the corporation, pestered the personnel section, and sometimes staged sit-in demonstrations, seriously disturbing the corporation's normal work. Recently, in the struggle to deal severe blows at criminal activities, (Xu Guangcheng) was taken into custody by public security authorities for examination.



Since he was taken into custody it has been found out that beginning in 1981 he had written many reactionary words and sentences in his work notebook to vent his dissatisfaction with the party organization and to attempt to reverse the verdict and stage a comeback.

The municipal industrial departments party committee recently issued a brief on the problem of (Xu Guangcheng) pointing out: Even now a handful of people who rose to prominence by rebellion, were hastily admitted to the party, and who indulged in beating, smashing, and looting during the Cultural Revolution are still longing for their lost paradise and attempting to stage a comeback. In dealing with these people, we must resolutely strike at those who deserve it and sternly handle the rest in a commensurate way. We must not be softhearted if we want to guarantee the smooth progress of the four modernizations drive.

#### SHANGHAI REPORTS BIRTH RATE DROPS IN FIRST HALF

OW240933 Beijing XINHUA in English 0757 GMT 24 Sep 83

[Text] Beijing, September 24 (XINHUA) -- Shanghai's birth rate, 13.19 per thousand, dropped 2.4 per thousand in the first half of 1983, compared with the same 1982 period, according to Thursday WEN HUI BAO, a newspaper published in China's leading industrial city. The total number of births was 77,213, down 12,773. Rate for first-born babies was 94.94 percent, an increase of 4.48 percent. According to 1982's national census, the total population of Shanghai was 11,859,748.

#### ZHEJIANG'S WANG FANG ON CADRE REPLACEMENT

OW251036 Hangzhou Zhejiang Provincial Service in Mandarin 1030 GMT 23 Sep 83

[Text] Comrade Wang Fang, secretary of the Zhejiang Provincial CPC Committee, pointed out this morning at the provincial forum on organizational work: New and old cadres should make joint efforts to cooperate well, have new cadres take over responsibilities from old cadres, and fight in unison to create a new situation for socialist modernization.

After elaborating on the relationship between the political organizational lines, on the standards for promotion in the new period, on arranging for organizational reforms at the county level, and on the task of building up a third echelon, Comrade Wang Fang stressed: To successfully effect the cooperation and succession of old cadres by new is vital to further consolidating and developing the political situation, which is characterized by stability and unity, and to carrying out socialist modernization. Every cadre, old or new, must attach importance to this.

He said: Our party's undertakings are being carried out while new cadres are cooperating with old cadres and are taking over responsibilities from them. Cooperation is a prerequisite and succession is for effecting better cooperation. Therefore, in addition to selecting and promoting competent people on merit, old cadres, after helping young and middle-aged cadres mount the horse, should also ride with them part of the way. Old comrades who have retreated to the second or third line should support new bodies and cadres orally and in day-to-day work. In addition to supporting them themselves, old cadres should also mobilize others to support new bodies and cadres. They should commend their work achievements, sincerely help them overcome their shortcomings and deficiencies in a practical and realistic way with public interests in mind, and firmly support and implement the correct decisions adopted by new leading bodies. Old cadres, especially those who have retired early because of limited quotas for posts in leading bodies, should take into account the interests of the whole, submit themselves to the arrangements and assignments made by the new bodies, and work hard to fulfill their new tasks.

In his speech, Comrade Wang Fang also urged the new bodies and cadres to boldly assume responsibilities, work hard, respect and modestly learn from old cadres in order to temper and improve themselves under the party leadership and with the guidance and help of old cadres, and contribute to creating a new work situation in their respective areas and units.

In conclusion, Comrade Wang Fang said: In the past our veteran comrades made great contributions to the protracted revolutionary struggle and socialist construction. In the current organizational reforms they displayed great foresight and lofty moral character by having the cardinal principles in mind and taking the overall situation into account. The newly promoted younger cadres have a strong party spirit, are full of drive, are honest and upright, and are self-disciplined. So long as old and new cadres cooperate in unity in an even better way, we will certainly be able to create a new situation in socialist modernization and fulfill the grand program and strategic tasks set by the 12th party congress.

ZHEJIANG APPOINTMENTS, REMOVALS ANNOUNCED

OW251025 Hangzhou ZHEJIANG RIBAO in Chinese 15 Sep 83 p 1

[Text] The Third Meeting of the Sixth Zhejiang Provincial People's Congress Standing Committee hereby appoints:

Shan Zulun [3088 4371 0243] as secretary general of the Zhejiang Provincial People's Government (concurrently);

Zhang Xiufu [1728 4423 1133] as director of the Zhejiang Provincial Public Security Department;

Chen Jingye [4453 4737 2814] as chairman of the Zhejiang Provincial Planning and Economic Commission;

Chen Chuanqun [7115 0278 5028] as chairman of the Zhejiang Provincial Scientific and Technological Commission;

Wei Lian [7614 1670] as director of the Zhejiang Provincial Urban and Rural Construction Department;

Dong Fuhai [5516 2591 3189] as director of the Zhejiang Supply Bureau;

Sun Jiaxian [1327 1367 6343] as director of the Zhejiang Provincial Department of Culture;

Du Jiaxing [2629 0502 2502] as director of the Zhejiang Provincial Broadcasting and Television Department;

Dai Di [2071 6611] as director of the Zhejiang Provincial Public Health Department;

Liang Ruzhi [2733 1172 1807] as chairman of the Zhejiang Provincial Family Planning Commission;

Yu Ji yuan [0060 3444 3293] as director of the Zhejiang Provincial Office of Economic Coordination; and hereby removes:

Li Chaolong [2621 2600 7893] from his post as director of the Zhejiang Provincial Public Security Department;

Li Maosheng [2621 5399 3932] from his post as director of the Zhejiang Provincial Supply Bureau;

Zhang Shaofu [1728 1421 3940] from his post as director of the Zhejiang Provincial Broadcasting Administrative Bureau;

Chen Quo [7115 6665] from his post as director of the Zhejiang Provincial Public Health Department.

GUIZHOU PEOPLE'S CONGRESS MEETING ON CRIMES

HK240402 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 21 Sep 83

[Text] According to reports by our reporters, the third meeting of the sixth provincial People's Congress Standing Committee has held group discussions in the past few days on the question of sternly cracking down on criminal activities. In their discussions, members of the Standing Committee unanimously voiced their support for the two decisions concerning severely punishing criminals who seriously endanger social order adopted by the Second Meeting of the Sixth NPC Standing Committee. They also expressed their determination to resolutely implement them.

During their discussions they said: Sternly cracking down on criminal activities is a serious struggle against enemies in the political field. The struggle has an extremely important bearing on improving social order, protecting the safety of the lives and property of the broad masses of people, consolidating and developing the political situation of stability and unity, promoting a fundamental change in common social practices, and ensuring smooth progress of the socialist modernization program. Guizhou's work in severely and promptly cracking down on criminals has won the full support of various departments and the broad masses of people ever since it started. Prompt actions have been taken and satisfactory results have been obtained. The number of offenses and crimes has dropped and the masses are very pleased with this.

During their discussions, members of the Standing Committee said: At present, although the current struggle of sternly cracking down on criminal activities in our province has victoriously won its first battle, we are still faced with heavy tasks. We must carry on the struggle in a deep-going manner. We should never make a fine start but a poor finish, or tighten our work in the beginning but slacken it toward the end. At the same time, we must further strengthen education on the legal system and strengthen ideological education so that the masses can be more aware of the legal system. Leading political and legal organizations at various levels must have a good grasp of the party's policies, seek truth from facts, impartially enforce the laws, handle cases strictly according to laws, and struggle for an early and fundamental change for the better in Guizhou's social order.

## Meeting Ends

HK260329 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 24 Sep 83

[Summary] The third meeting of the sixth provincial People's Congress Standing Committee concluded on 24 September. The meeting passed a resolution on cracking down hard on crime and a decision on establishing the committee's Credentials Committee, and approved appointments and dismissals. Chairman Wu Shi presided at the meeting. Also present were Vice Chairmen Wu Su, Luo Dengyi, Zeng Xianhui, Ye Gulin, Bai Lin, Hou Guoxiang, Ren Ying, Wu Tongming, Ran Yannong, Wang Bingyun, Wang Zhenjiang, Qian Yunzhong, and Liang Wanggui. The meeting appointed Hou Guoxiang chairman of the provincial People's Congress Standing Committee's Credentials Committee; Wang Bingyun chairman of the committee's Nationalities Committee; Ye Gulin chairman of the committee's Law Committee; Ran Yannong chairman of the committee's Financial and Economic Committee; and Wang Zhenjiang chairman of the committee's Education, Science, Culture, and Public Health Committee.

YANG RUDAI AT SICHUAN RETIRED CADRE COURSE

HK240638 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 24 Sep 83

[Summary] According to SICHUAN RIBAO, a course for retired departmental and bureau-level party-member cadres of the provincial organs, jointly sponsored by the Organization and Propaganda Departments of the provincial CPC Committee and the CPC Committee of the provincial organs, opened in Chengdu yesterday.

The main task of the course is to study the "Selected Works of Deng Xiaoping" and the new party Constitution so as to further understand the importance of party building and make ideological preparations for party rectification.

Some 100 veteran cadres are attending the course. They said: "We have retired, but our thinking has not. We must continually work hard at studying the party's principles and policies, accept fresh things, keep up with the advance of the era, and play our part in building socialism with Chinese characteristics."

Present at the opening ceremony were Yang Rudai, secretary of the provincial CPC Committee; Xu Mengxia, member of the Standing Committee of the provincial CPC Committee; Feng Zhenwu, director of the Organization Department of the provincial CPC Committee; (Yuan Zhuang), secretary of the CPC Committee of the provincial organs; and (Feng Lipan), director of the veterans cadre bureau of the Organization Department.

#### SICHUAN REAPS GOOD MIDDLE-SEASON RICE CROP

OW260031 Beijing Domestic Service in Mandarin 1200 GMT 23 Sep 83

[Text] Sichuan Province, one of China's major rice-growing areas, has reaped a bumper middle-season rice harvest this year. Total yield on the province's more than 45 million mu of middle-season rice may reach over 35 billion jin, registering an increase of more than 1 billion jin over last year and setting a new record in both total yield and per-mu output.

Sichuan has placed the main emphasis on increasing per-mu output in rice production and paid special attention to popularizing hybrid rice and improving rice seedling cultivation techniques. The acreage of hybrid rice has been expanded to 20 million mu in the province, making Sichuan China's number one province in hybrid rice growing area.

According to demonstrations by provincial agricultural departments on 1 million mu of high-yield hybrid rice in Wan, Dianjiang and six other counties in eastern Sichuan, the per-mu yield of hybrid middle-season rice is as high as 927 jin, which is 300 jin more than ordinary middle-season rice.

#### SICHUAN PEOPLE'S CONGRESS COMMITTEE MEETING OPENS

HK260245 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 22 Sep 83

[Summary] The third meeting of the sixth provincial People's Congress Standing Committee opened in Chengdu on 21 September. Chairman Du Xinyuan presided. Also present were Vice Chairmen Qin Chuanhou, Zhang Xiushu, Liu Ziyi, Peng Dixian, Ma Shitu, Ji Chunguang, Liu Yunbo, Liu Haiquan, Liu Xilian, and Zhaxi Zeren.

Qin Chuanhou conveyed the spirit of the Second Meeting of the Sixth NPC Standing Committee. He said: "Although there has been some turn for the better in social order as a result of continual straightening out over the past few years since the 3d Plenary Session of the 11th CPC Central Committee, the problems have not yet been fundamentally solved. The state of social order is very bad in many places. Criminals are behaving in an extremely arrogant fashion. Some have gone so far as to care about and fear nothing." The central authorities have therefore decided to crack down hard on criminals and punish them as appropriate.

Provincial Public Security Department Director Bai Shangwu delivered a report on the situation in cracking down on criminals. The meeting is expected to last 8 days.



XIZANG EXILE GOVERNMENT CHARGES MASS ARRESTS

BK260756 Hong Kong AFP in English 0720 GMT 26 Sep 83

[Text] New Delhi, Sept 26 (AFP) -- The Tibetan government in-exile today accused the Chinese authorities in Lhasa of arresting some 500 Tibetans, including five refugees who had gone on a visit from India.

A signed statement released here by the chief representative of the Dalai Lama, the Tibetan spiritual leader, said Chinese authorities had carried out mass arrests on August 24 and again on August 28-29, rounding people up from the streets and their homes.

"We view these developments with the deepest concern and shock," the statement said. It added that the arrests had been preceded by night-time checks of "every household in Lhasa" by members of the Chinese Public Security Bureau. The statement said that similar arrests were also made in the Tibetan villages of Shigatse, Gyantse and Dhangri, but did not elaborate.

An official with the Tibetan exile community, which fled to India following an abortive 1959 revolt against Chinese occupation of Tibet, said that news of the arrests was smuggled out of the country by travellers.

The group's statement said the Chinese claimed the mass roundup was aimed at black marketeers and Tibetans without residence permits and ration coupons. It added that the arrests closely followed the recent visit by team of foreign journalists to Tibet, during which local residents gave statements and handed over petitions addressed to the United Nations asking for U.N. help and expressing their desire for independence of their former homeland.

YUNNAN MEETING STRESSES ENTERPRISE CONSOLIDATION

HK240252 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 23 Sep 83

[Excerpts] The provincial industry and communications work forum which concluded recently demanded that the province further improve the quality of enterprise consolidation, speed up the pace of consolidation, and strive to have all enterprises at and above county-level in the province consolidated by 1985, to create conditions for improving enterprises quality and economic results.

This forum, convened by the provincial economics committee and the provincial leadership group on enterprise consolidation, demanded that the province rapidly change the current situation of poor quality, weak capability for adapting to changes, and low economic results in many enterprises. The urgent task is to do a good job in all-round consolidation of the enterprises. The meeting proposed five measures for speeding up this work: 1) enhance understanding, strengthen leadership, and regard enterprise consolidation as the central task for the moment and for a time to come; 2) speed up rectification and assignment of enterprise leadership groups, and insist on the four transformations criteria for the cadres; it is necessary to set up groups for examining and approving enterprise cadres, and the party committees at the corresponding level should be authorized to take overall control of the work of examining, assigning, and approving the enterprise leadership groups, so that understanding can be unified and the work speeded up; 3) apply various ways to carry out enterprise consolidation; 4) strengthen ideological and political work for workers and promote the building of the rank of workers; 5) lay stress on the focal points and get a good grasp of enterprises that make big profits or run at big losses; after 2 years the province should have eliminated losses due to management defects in the province's industrial enterprises.

BEIJING'S DUAN JUNYI MEETS COLLEGE GRADUATES

OW230945 Beijing XINHUA Domestic Service in Chinese 1428 GMT 22 Sep 83

[By reporter An Zhonghuang]

[Text] Beijing, 22 Sep (XINHUA) -- The Beijing Municipal CPC Committee has decided to select and assign outstanding college graduates of the year to do party and government work at grassroots units, beginning this year. This will be a deliberate effort to cultivate the third echelon of the ranks of cadres. This afternoon leading comrades of the municipal CPC Committee Duan Junyi and Chen Xitong met the first group of 54 college graduates so selected and assigned.

Of these, 37 are Communist Party members, 17 are CYL members, 46 have worked as student-cadres of colleges, departments, and classes, and 35 have been rated three-good students at and above college level. In accordance with the students' specialties and the needs of actual work, the municipal CPC Committee has assigned them to do practical work at grassroots factories, communes, neighborhoods, shops, and other units in industrial production, transportation services, urban construction, finance and trade, and in rural areas.

Duan Junyi and Chen Xitong emphasized at the meeting that selecting outstanding college graduates and assigning them to grassroots units to undergo selective training is an important measure in training more revolutionary, younger, more educated and professional leading cadres for the party and government. This work should be continued in the years to come as an established system. They hoped that the college graduates would merge with workers and peasants at grassroots units, cherish the idea of wholeheartedly serving the people, foster world outlook of waging lifelong struggle for communism, learn from grassroots cadres the basic skills in doing work among the masses, firmly implement the party's principles and policies, and be good at conducting investigations and study to train themselves as talented people useful to the four modernizations. The graduates pledged to live up to the party's expectations.

BEIJING REPORTS 'GRATIFYING' INDUSTRIAL RESULTS

HK230859 Beijing BEIJING RIBAO in Chinese 13 Sep 83 p 1

[Report by Ding Yushao: "Gratifying Achievements Scored in Beijing's Industrial Production in August"]

[Text] In the course of thorough enterprise consolidation, industrial and mining enterprises throughout the municipality are improving their production management and are making efforts to produce more readily marketable goods. In August the gross industrial output value reached 2.156 billion yuan, and the profits turned over to the state by the 15 industrial companies (or bureaus) totaled 216 million yuan. Both figures are higher than those of the same period last year, and of July this year, and indicate gratifying achievements.

Despite continuous high temperature and heavy rainfalls in August, enterprises in Beijing still achieved better economic results because they strengthened political and ideological work, improved the economic responsibility system, and took good care of the worker's livelihood. In the textile industrial general company, the temperature of many workshops remained at 34-35 degrees celsius, and the temperature in some operation areas was as high as over 40 degrees. However, in order to fulfill the yearly production target, all workers feared no hardship and stood fast at their posts. Industrial output value created by this company in August reached 204 billion yuan, showing an increase of 9 million yuan over July and an increase of 10.7 percent over the same period of last year, and representing a record for this year.

In August the Shoudu Iron and Steel Company also created an all-time high in its pig iron production. The Yanshan Chemical Industrial General Company succeeded in maintaining safe and steady production in summer. Its production of plastics, polyester resin, and manmade rubber increased by a big margin, and its output value and profits in August outstripped those in July and in the same period last year. The mining bureau also took measures to ensure that production could be handled normally in the wet season. The average daily output in early August was 5 percent higher than that in July, and 33 percent higher than that in the same period last year. In the whole month the bureau overfulfilled the production target by 5,000 tons of crude coal. The building material bureau, the medicine general company, and the electronic instrument company also achieved gratifying results in their production. At present the major problems are: management of some enterprises fails to meet the requirement of the developing situation, leading to poor economic results and frequent industrial accidents; and some light industrial goods lack variety and are of low quality. Quarters concerned have taken measures and made efforts to deal with these problems.

#### BEIJING INVITES SPECIALISTS TO ADVISE CITY

OW230857 Beijing XINHUA in English 0828 GMT 23 Sep 83

[Text] Beijing, September 23 (XINHUA) -- Beijing government has invited 177 specialists in various fields of science to be advisers and plans to invite more, said a municipal spokesman here today. These advisers will help government authorities draw up construction plans, study problems related to municipal growth and daily life, make suggestions for improvements and other related matters.

Mayor Chen Xitong anticipates that the specialists will help government administration put its work on a scientific basis, eliminate arbitrary and impracticable directions and reduce errors in work. Most of these advisers are working professors, leading scientists and senior engineers, who are under two to three year contracts with extra pay, the spokesman said. The practice started in 1979 when the city's agricultural bureau invited a group of agronomists to help it improve corn production on the outskirts. After a thorough study, the group suggested to take four measures, which brought the farmers 4,500 kilos of corn per hectare the following year, a 33 percent increase. Since then specialists have been invited by almost all the branches of the city's agriculture. The practice has now been expanded to industry, environmental protection, communications, medicine, and city planning and construction.

#### NEI MONGGOL CONGRESS HOLDS PLENARY MEETING

SK240440 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 23 Sep 83

[Text] The third Standing Committee of the sixth regional People's Congress held its second plenary meeting on the afternoon of 23 September. The meeting listened to the report made by Bai Junqing, vice chairman of the region, concerning the setup of departments under the regional People's Government.

Comrade Bai Junqing said: In line with the demand of the CPC Central Committee and with the reality of the region, under the direct leadership of the regional CPC Committee, and through over 10 months of efforts since the end of the past year, the organizational establishment of various work departments of the regional People's Government has already been finished, the leading body has been basically fixed, the affiliated organs and the size of these organs have been initially decided, the assignment of the leading cadres for various sections and offices is stepping up, and the reform of the second-level units has already started. The situation as a whole has been good and the progress of work is quicker than expected.



Comrade Bai Junqing said: At present, the organizational reform of the regional People's Government is developing in depth but much work remains in the next part of the organizational reforms. In order to start well and end well in reforming organizations of the regional People's Government and create a new situation in the work of government organs, continued efforts should be made to accelerate the staffing of leading bodies of various sections and offices and the organizational reform of the second-level units. Efforts should also be made to further define the tasks and duties of various departments and their affiliated organs, to institute a strict system of personal responsibility, to strengthen staffing work and rotational training for cadres, and to do a good job in placing retired cadres and veteran cadres who have left their posts.

Hao Xiushan, vice chairman of the regional People's Congress Standing Committee, attended the meeting. Also attending were Vice Chairmen Li Wen, Zhou Beifeng, E-qi-er-hu-ya-ke-tu, Chao-luo-meng, and A-la-tan-ao-qi-er. Attending the meeting as observers were (Yang Dalai), president of the regional Higher People's Court and responsible persons of People's Congress Standing Committees in Hohhot, Baotou, and Wuhai Cities.

#### Meeting Ends

SK251313 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 24 Sep 83

[Excerpts] The third meeting of the Sixth Nei Monggol Regional People's Congress Standing Committee concluded in Hohhot this morning after successfully completing all items on the agenda. The meeting relayed the decision of the CPC Central Committee on dealing severe blows to criminal offenses and the guidelines of the Second Standing Committee meeting of the Sixth NPC, studied the NPC's decision on severely punishing criminals who seriously endanger public security, and held enthusiastic discussions. The participants were united in thinking and they had a better understanding in this regard. They pledged to fully support and resolutely implement the decision of the CPC Central Committee on carrying out the struggle against criminal activities.

The meeting heard a report by (Liu Zhizhong), deputy director of the regional Public Security Department, on dealing severe blows to criminal offenses. In line with the actual situation participants discussed this report and analyzed the public security situation in the region. They held that Nei Monggol has resolutely and rapidly implemented the decision of the CPC Central Committee, fully displaying the tremendous power of the people's democratic dictatorship. Public security has started to improve.

The meeting also heard a report by Bai Junqing, vice chairman of the region, on the setup of departments of the regional People's Government, examined and discussed a draft decision of the regional People's Congress Standing Committee on the setup of departments, and a draft decision on the time to elect deputies to the people's congresses of banners, counties and townships, and discussed a draft namelist of cadres to be appointed and removed. The meeting also adopted a resolution on dealing severe blows to criminal offenses, a decision on the setup of departments of the regional People's Congress Standing Committee and a decision on the election time for deputies to the people's congresses of banners, counties and townships. In line with the proposal of (Yang Dalai), president of the regional Higher People's Court, the meeting appointed (Ye-ti-da-er-ji) vice president of the Nei Monggol Regional Higher People's Court. (Fen-gu-la) was appointed acting president of the Jirem League Intermediate People's Court, and member of the judicial committee. (Ma Tai) was appointed acting president of the Ulanqab League Intermediate People's Court. (Wang Yishan) was appointed acting president of the Bayannur League Intermediate People's Court and member of the judicial committee.



In line with the proposal of (Mao Dezhi), chief procurator of the regional People's Procuratorate, the meeting approved and appointed (Wang Jingfang) chief procurator of the Baotou City People's Procuratorate. (Wang Guoliang) was appointed acting chief procurator of the Jirem League branch of the Nei Monggol Regional People's Procuratorate. Li Wen, vice chairman of the regional People's Congress Standing Committee, presided over the meeting. Hao Xiushan, Zhou Beifeng, He Yao, Se-yin-ba-ya-er, E-qi-er-ya-ke-tu, Chao-luo-meng, A-la-tan-ao-qi-er, and Hu Zhongda, vice chairmen of the regional People's Congress Standing Committee, attended the meeting. Bai Junqing, vice chairman of the region, and (Yang Dalai), president of the regional Higher People's Court, as well as responsible persons of the Hohhot, Baotou and Wuhai City People's Congress Standing Committees attended the meeting as observers.

#### LI LIGONG ATTENDS SHANXI WORK MEETING

SK231147 Taiyuan SHANXI RIBAO in Chinese 31 Aug 83 p 1

[Text] The central topic for discussion at the provincial meeting on staff and workers' ideological and political work which was held by the Shanxi Provincial CPC Committee on 30 August was to further strengthen and improve ideological and political work and strive to enhance the ideological and political consciousness of the staff and worker ranks to enable them to suit the pressing needs of the new period.

Attending this meeting were secretaries, standing committee members and propaganda department directors of various prefectural, city, and country CPC committees and of large industrial and mining enterprises as well as responsible comrades of various units in charge of ideological and political work, totaling some 680 persons.

Li Ligong, secretary of the provincial CPC Committee, and Li Xiuren, and Li Kewen, deputy secretaries, attended today's meeting. Comrade Li Ligong spoke and said: The convocation of the provincial meeting on staff and workers' ideological and political work under the new situation is very necessary. It is being held at the right moment. In order to further mobilize the staff and workers across the province to carry out the four modernizations and to build the two civilizations, we must first rely on the party's correct line, principles, and policies. The line, principles, and policies laid down by the 3d Plenary Session of the 11th CPC Central Committee have produced remarkable results in all spheres and have aroused the enthusiasm of the broad masses of staff members and workers. However, practice shows that we must use the powerful and highly effective ideological and political work to ensure the implementation of the party's political line. Though the party's political line is aimed at carrying out economic construction it does not mean to give consideration only to economic and production issues and to neglect or to give less consideration to ideological and political work. If ideological and political work is neglected, the masses will engage in a tendency of "seeking enjoyment without any thought of making contributions," indulge in evil practice, and seek personal advantages at the expense of the state and the collective. The phenomenon of giving money or bonuses in order to get a thing done once existed among some units and it still exists now. This is the manifestation of weak ideological and political work. If things go on like this, we will lack a correct political orientation and will depart from socialism.

Comrade Li Ligong said: According to Lenin, relying on the spontaneous consciousness of the working class will only result in economism. If we slacken our efforts to carry out regular, thoroughgoing, and painstaking ideological and political work, the ideology of economism will occur among the workers, peasants, party members, and cadres even though the lines, principles, and policies are correct.

The so-called ideology of economism means to give consideration only to the immediate interests at the expense of long-term interests, to give consideration only to the part at the expense of the whole, and to give consideration only to the individual at the expense of the state. Overcharging the state's key construction projects is an obvious example. The working class is an advanced class which should also be imbued with Marxism and should continuously receive ideological and political education.

Experience has proven that we must rely on ideological and political work to carry out socialist construction and the four modernizations. While referring to the adherence of the four basic principles, Comrade Deng Xiaoping pointed out: The party committees from the central to all levels must place the ideological and theoretical work on a correct path in an important position. From this, we can see that this significant issue of intensifying and improving ideological and political work should be attended to not only by party committees but also by various government departments, not only by the party secretaries but also by plant chiefs and managers. At present, the political consciousness of the staff and worker ranks of our industrial and mining enterprises is poor. Lax labor discipline and poor service attitude exist in some units, and some persons have even violated the law and discipline. What does this show? It has seriously exposed our enterprises' weak ideological and political work. Some industrial and mining enterprises did a poor job in this regard. Instead of strengthening this work, some plants and mining units have indeed weakened it. This phenomenon merits the great attention of the leadership at all levels. Industrial and mining enterprises and economic departments must pay attention to economic and production work. However, they must not neglect ideological and political work and must not for a moment slacken their efforts to conduct education on socialism and communism among staff members and workers. We must enable them to really understand the historical tasks shouldered by the working class and to make more contributions to realizing the grand objective set forth by the 12th national party congress.

Comrade Li Ligong emphatically pointed out: Ideological and political work is a precious heritage of our Communist Party. Our Communist Party has relied on ideological and political work to grow and thrive. Forgetting ideological and political work means forgetting the roots of our party. He expressed the hope that all comrades participating in the meeting would exert earnest efforts to make the meeting successful. He said: The provincial CPC Committee is convinced that, after this meeting, all units will have a great change in their staff and workers' ideological and political work and will create a new situation in this regard. After that, Zhang Yutian, director of the Propaganda Department of the provincial CPC Committee, relayed at the meeting Comrade Hu Yaobang's recent important speech on propaganda work and Comrade Deng Liqun's speech delivered while making an inspection tour in Yanbei and Datong.

QINGHAI GOVERNOR VIEWS ECONOMIC DEVELOPMENT

HK240810 Xining Qinghai Provincial Service in Mandarin 1100 GMT 22 Sep 83

[Text] In his report delivered at the provincial meeting to commend the advanced in promoting nationality unity, Governor Huang Jingbo spoke about the major tasks in future work for nationalities. He said: Whether or not we can do a good job in work for nationalities depends on whether or not we succeed in boosting the economy.

In developing the economy in minority nationality areas, the first thing to do is to make great efforts to develop agriculture and animal husbandry. At present we should stress transformation of low-yield and relatively low-yield fields, treatment of small swift streams, improvement of grassland, fodder processing, building of small hydropower stations, use of solar energy and wind energy, and popularization of marsh gas use. At the same time we must make great efforts to develop diversified management in order to increase wealth and income.

Second, we must firmly grasp the work in exploiting resources. It is in the fundamental interests of the people of all nationalities for the state to exploit resources. Only if underground resources and those above ground are exploited and utilized and state key projects are completed can the development of local economic, scientific, cultural, educational, and health undertakings be brought along. Cadres and the masses of people of various minority nationalities must proceed from state interests, take the initiative in doing their work well, and welcome comrades from other provinces and regions to work for Qinghai's development and construction. At the same time they should endeavor to master culture, technology, and management, improving themselves in these aspects.

Third, we must pay attention to local and nationality characteristics. Various autonomous prefectures and counties must proceed from reality, develop strong points while overcoming shortcomings, and make good use of favorable conditions. According to actual favorable conditions we should major either in agriculture, animal husbandry, or forestry while developing diversified management. We should adopt various ways for eliminating poverty and getting rich.

Fourth, we must adhere to the principle of integrating self-reliance with state assistance. We should understand the difficulties of the state and use state funds only where they are most urgently needed for improving production conditions and increasing self-reliance capacity. We should strive to reduce the burden of the state. At the same time we should continue to do a good job in seeking help from advanced localities through establishing ties with them, in economic and technical cooperation and exchange, in improving advanced technical equipment and funds from abroad and from other regions and provinces in developing the economy, and in inviting more technical and scientific personnel to work in various localities in Qinghai so that we can gradually change the situation of being economically backward in minority nationality areas.

GOVERNMENT SETS UP 'AD HOC FORCE' ON HONG KONG ISSUE

OW240759 Taipei CNA in English 0256 GMT 24 Sep 83

[Text] Taipei, Sept. 24 (CNA) -- Foreign Minister Chu Fu-sung said Friday that the government has set up an ad hoc force to deal with the future settlement of what happens to Hong Kong after 1997. Minister Chu made the remarks in reply to an interpellation raised by legislator Pu Shao-fu at the 72nd session of the Legislative Yuan, which opened Friday. Chu said the government is very concerned about the fate of Hong Kong and has been keeping close watch on the development of the Hong Kong issue.

Minister Chu reiterated the government's stance on the Hong Kong issue which Premier Sun Yun-hsuan gave in a statement to the Legislative Yuan in September last year. The main contents of Premier Sun's statement are as follows:

-- The Government in the Republic of China is very concerned about the welfare, freedom and security of the residents of Hong Kong, most of whom are democracy-and-freedom-loving Chinese people. The desires of Hong Kong residents must be taken into consideration in settling the Hong Kong issue.

-- The Republic of China Government is obligated to help Hong Kong residents protect the prosperity and progress they have achieved over the past three decades.

-- Any agreement on Hong Kong reached between the British Government and the Peiping regime will be invalid.

Minister Chu said that the government is determined to support the efforts made by Hong Kong residents in protecting their freedom. The ad hoc force is expected to pool the efforts of the government and people of the nation to seek ways to assist Hong Kong residents, Chu indicated.

Some ranking government officials recently met several times with civilian leaders from Hong Kong and exchanged views with them on the Hong Kong issue, Chu said.

ARTICLES ASSESS REASSIGNMENT OF GENERAL WANG SHENG

## Effect on KMT 'Balance'

OW242038 Taipei TZU LI WAN PAO in Chinese 21 Sep 83 p 2

[Special report by reporter Liu Chih-chung]

[Text] The ruling party has decided to appoint General Wang Sheng, director of the Joint Training Department of the Ministry of National Defense, as ambassador to Paraguay. This personnel arrangement has been the focus of attention in various circles.

The nature of this personnel arrangement is similiar to the appointment of Lin Chin-sheng as chairman of the Kuomintang [KMT] Central Discipline Commission. This was the first sign of a large-scale reorganization of the Standing Committee of the KMT Central Committee, scheduled for next year at the committee's second plenary session. According to past practice, except for a number of symbolic arrangements, the Standing Committee is always filled with party members who occupy important government posts. Since Lin Chin-sheng no longer serves as minister of communications and Wang Sheng has also left his post as director-general of the Political Warfare Department, they normally would not enter the Standing Committee. It is also expected that many other current Standing Committee members who have left government posts will also leave the Standing Committee at next year's second plenary session.



The second plenary session of the KMT Central Committee will be a crucial stage for the ruling party. At the meeting the ruling party will nominate the presidential and vice presidential candidates. Therefore it must strengthen its internal unity and display a political capacity that accords with the trust of the people. The high posture strategy adopted by the party at this year's nomination of candidates for the Legislative Yuan was also the result of this consideration.

The ruling party's inner-party structure has become a little loose in recent years, and there has been a rapid rise of Political Warfare Department personnel within the party. Therefore it is necessary for the ruling party to make some appropriate arrangements to strike a balance between the KMT and China Youth Corps forced on the one hand, and the Political Warfare Department on the other, and to strengthen party leadership.

Appointment 'Somewhat Unexpected'

OW241131 Taipei TZU LI WAN PAO in Chinese 21 Sep 83 p 2

[Special report by Chang Hui-ying]

[Text] The decision to appoint Wang Sheng, director of the Joint Training Department of the Ministry of National Defense, as ambassador extraordinary and plenipotentiary to the Republic of Paraguay, which was somewhat unexpected, may clarify the course of events surrounding him, a subject of much speculation.

There was much speculation about the future of General Wang Sheng when he was transferred from the post of director-general of the Political Warfare Department to become director of the Joint Training Department of the Ministry of National Defense. Some believed that his transfer from the Political Warfare Department, which he had set up single-handedly, implied that his influence might be affected to a certain degree. Others predicted that his post at the Joint Training Department was only transitional and that he would be given a new post at an appropriate time.

The authorities will formally announce the appointment of Gen Wang Sheng as ambassador to Paraguay in a few days. His appointment has clarified the course of events surrounding him, which was the subject of much speculation. It also indirectly clarified the various speculation to some degree. However, the appointment is only a change in the current course of events. It is difficult to conclude what future developments will be.

To Gen Wang Sheng himself, the appointment as ambassador to Paraguay will open up a new world in all respects. Our country maintains friendly relations with the Republic of Paraguay. However, at present the Chinese Communists are working actively to win over the Central and South American countries. In addition, communist influence is also expanding in the region. In view of this, the appointment of Wang Sheng, who has rich experience in fighting communism, will greatly contribute to strengthening the relations of substance between the ROC and Paraguay, to strengthen our country's stronghold in Central and South America, and to uniting anticommunist forces in local Chinese society.

GOVERNOR YOUDE RETURNS, SAYS BEIJING TALKS 'USEFUL'

HK240530 Hong Kong Domestic Service in English 0500 GMT 24 Sep 83

[Text] The governor, Sir Edward Youde, arrived back in Hong Kong this morning from Peking. In a short statement to reporters, he described the latest round of negotiations on the future of Hong Kong as useful discussions. On the question of the ailing Hong Kong dollar, he said that he will be conferring with the chief secretary and financial secretary on that question later today. Glynis Green reports:

[Begin recording] [Green] Sir Edward was met at the airport by the chief secretary, Sir Philip Haddon-Cave, and other officials. After referring to the latest round of talks as useful discussions, Sir Edward said the 1997 issue would be the subject of further talks to be held here over the next few days with the visiting minister of state at the Foreign Office, Mr Richard Luce, and the leader of the British negotiating team, Sir Percy Cradock. He then referred to the next round of negotiations scheduled for next month.

[Youde] I'm sure you will all have been pleased to see that we shall be continuing our discussions on the 19th and 20th of October. That was in fact the earliest date that the two sides could manage, because the Chinese have ministerial commitments on their side and I, as you know, have some commitments down here, including my annual address to the Legislative Council in about 10 days' time.

[Green] Sir Edward ended his statement with this reference to the ailing Hong Kong dollar:

[Youde] I have, of course, been much concerned at the accounts which have been reaching me about the rates of the Hong Kong dollar. I don't propose to make any off-the-cuff statement about that this morning, but I will be getting a full account from the chief secretary and the financial secretary during the course of the day, and I will be discussing it with them.

[Green] Sir Edward declined to answer questions on either the dollar or the talks from the waiting press. [end recording]

UK AMBASSADOR TO PRC COMMENTS ON SINO-BRITISH TALKS

HK260158 Hong Kong HONG KONG STANDARD in English 26 Sep 83 p 1

[Article by Karen Conrad: "Cradock Says It Again: It Was Useful"]

[Text] Sir Percy Cradock, British ambassador to Beijing, arrived here yesterday and gave newsmen the static response to how the Sino-British talks on Hong Kong future is going. He told newsmen at Kaitak that the latest round of the negotiations had been "useful".

When asked if he could use another less familiar adjective to describe the talks, he said: "You can think of all sorts of adjectives, but I'll keep to useful."

Cradock, who flew in from the Chinese capital, will meet the British minister of state at the Foreign and Commonwealth Office, Mr Richard Luce (who arrived here on Saturday) and the Governor, Sir Edward Youde. The three are expected to discuss the outcome of the just concluded negotiations in Beijing.

The ambassador, however, declined to reveal details of his programme during his stay here. "My programme is in the hands of the governor, who I'm sure, has everything beautifully arranged," he said. Newsmen, who were screened before Cradock's arrival, crammed behind barricades and jostled for a vantage point to ask the diplomat the question on most people's lips -- "What can be done to save the Hong Kong dollar?"

The ambassador, however, evaded any comment on the currency problem and even refused to say whether he would discuss the matter with the governor. "I really wouldn't like to go into details. I think I've said everything I want to, thank you very much," he said.

With that, the ambassador accompanied by the governor's aide-de-camp, Mr Paul Croft, left the arrival area with a final comment: "I'm delighted to be here and see you all."

The British ambassador was limping and walking with the aid of a stick. He incurred the injury, on his right foot, while taking part in the annual Beijing diplomatic corps tennis tournament. Expressing confidence that the British team would win the tournament, he said he was playing a men's doubles match against his Australian counterpart when he got hurt.

Meanwhile, Mr Ian Sinclair, legal adviser with the Foreign and Commonwealth Office, arrived in Hong Kong on Friday for what's officially described as a private visit.

In addition, Field Marshall Sir Edwin Brammall, the Chief of Defence Staff, is expected in Hong Kong on Thursday, a government spokesman said. Officially, his visit has been termed as a "look at the garrison here" but observers see his visit linked to the future of the Gurkhas here in view of 1997.

#### PAPER LINKS DROP IN DOLLAR, PRC-UK TALKS

HK240202 Hong Kong HONG KONG STANDARD in English 24 Sep 83 pp 1, 3

[Report: "A Black Day at the Stock Market as...Dollar Collapses!"]

[Text] The local economy was shaken to its roots yesterday as Sino-British negotiators in Beijing ended their latest round of talks with nothing concrete to announce.

The dollar, already battered in the early part of the week, lost a stunning 45 cents against the U.S. unit yesterday to close at 8.75 and may fall through the \$9 level today. It was the biggest single day loss against the greenback in the dollar's history.

Its dismal performance was completed by an equally stunning rout of the local stock market and the Hang Seng Index fell through the 800-point level to close at 785.48, a loss of 63.58. The stock market has lost over 130 points this week, rocked by jitters over the 1997 issue.

Analysts attributed the plunge of the Hong Kong dollar to the "blank" statement issued after the Sino-British talks and to the statement made by Sir Sze-yuen Chung, who accused Chinese leaders of "creating a confidence crisis" here by breaking the agreement that the talks should be kept confidential.

The one-sentence joint statement in Beijing only said the two sides "held further talks on the questions of Hong Kong on September 22 and 23 and the fifth round will be held in Beijing on October 19 and 20."

Sir Sze-yuen, the senior nominated member of the Executive Council [EXCO], told the Seventh Commonwealth Law Conference here that both the Hong Kong dollar and the stock market would continue to drop until a settlement was agreed by China and Britain to guarantee the preservation of the present lifestyle here. His statement immediately drew strong criticisms from local leftwing circles.

Chinese sources here strongly denied Beijing has broken the confidentiality agreement on the talks. They explained that their leaders and the official press had so far only stated China's position on Hong Kong. "No information on the progress and contents of the talks was given. And it is perfectly legitimate for our leaders to spell out China's attitude towards its territory -- Hong Kong," the sources said.

They said Britain had also been making a lot of statements on Hong Kong. Quoting an example, they said, Prime Minister Margaret Thatcher during her visit to China last September, had stated the British would stick to the three treaties regarding Hong Kong.

"This is a negotiation position of Britain and Mrs Thatcher was also talking about Britain's position," the sources said.

They also said many government-affiliated newspapers in London had been "very vocal" on the issue. "Everyone knows these papers are reflecting the intentions and plans of the British government. Even the pro-British publications in Hong Kong are divulging the British position, not to mention the governor's briefing on the progress of the talks to the EXCO."

"Are they not breaching the confidentiality of the talks?" the sources questioned.

The sources expressed concern over the dollar's plunge, saying the Hong Kong government should do something about it. "Even if the abolition of the withholding tax is not of much help, at least it will be a gesture to show that the Hong Kong Government wants to do something to stabilize the economy."

"No doubt the fall of the Hong Kong dollar will hurt China, but it would also hurt Hong Kong and the British themselves," they added.

The sources urged the Hong Kong authorities to stop playing the "economic" card at once, adding that "confrontation will do nobody any good".

Sources close to the Hong Kong Government last night argued that it could not do much to help the dollar. "The government cannot do much unless it has the resources like the United States," they said.

Using our reserve could only help for two or three days, said the sources, adding that any intervention would only have temporary effect. The sources indicated that restoring confidence in Hong Kong is the only solution.

"It's not up to the Hong Kong Government nor a matter of how and what the government can do," they said. "People who allegedly have close connections with the mainland have to stop issuing provoking and misleading statements."

The sources said these statements would not help the situation for they were "merely being used to undermine the Hong Kong Government's reputation, and the confidence of the people of Hong Kong".

Public figures interviewed by the STANDARD all agreed that the continuing fall of the dollar would threaten the livelihood of ordinary citizens. The majority of them hoped that some urgent measures should be taken to stop the rot.

The Hong Kong dollar opened at \$8.25 against the greenback compared with Wednesday's \$8.31 close. Business was quiet as dealers awaited the outcome of the latest Sino-British talks. The shocking plunge began in the afternoon session, partly due to the speech by Sir Sze-yuen. Coupled with the static outcome of the talks, the dollar hit the 8.25 mark and there were reports that most banks, both foreign and local had suspended interbank trading. But dealers later explained that banks had not actually suspended trading but simply refused to quote a price on request. The dollar made some recovery near the close and pulled back 10 cents.



One senior dealer pointed out that there is a difference between what a government is not willing to do and what it is not capable of doing in a monetary crisis. He was referring to the government's refusal to abolish the interest tax on dollar deposits.

Hong Kong Bank's general manager, Peter Wrangham, said the plight of the Hong Kong dollar was purely due to political factors.

Chase Manhattan Bank's country manager here, Lawrence Toal, discounted reports that the British side was adopting a "positive nonintervention policy" in the money market here to try to improve its bargaining power over the negotiation table.

London confidence in the Hong Kong dollar was all but gone when the money market opened. It was quoted at 8.85 to the greenback but recovered slightly to close at 8.70.

The local stock market took its second worst beating of the year in the wake of the dollar's performance. The bears dominated the scene completely as the Hang Seng index lost 52.98 points in the morning and 10.60 in the afternoon.

#### WEN WEI PO ASSESSES WEINBERGER VISIT TO PRC

HK250232 Hong Kong WEN WEI PO in Chinese 25 Sep 83 p 2

["Special Feature" by Beijing Correspondent Cheng Hsiang: "Spotlight on Weinberger's Visit to China"]

[Text] U.S. Secretary of Defense Weinberger will arrive in Beijing on Sunday, 25 September. This trip has aroused close attention in diplomatic and press circles in Beijing for two reasons:

1) There have been signs of improvement in Sino-U.S. relations in recent months, and Weinberger's trip is being made riding on this east wind. For a long time, the main causes of stagnation in Sino-U.S. relations were, first, American arms sales to Taiwan, and second, the question of transfer of advanced technology, with the United States constantly being unwilling to regard China as a friendly country (this situation has changed only recently, when the U.S. government changed China from category P to category V in its export regulations). The Defense Department has a very great say on specific action over the question of arms sales to Taiwan and the transfer of advanced technology, and what Weinberger has to say about them on this visit to China will affect the future development of Sino-U.S. relations, and thus compel people's attention;

2) Weinberger is making this trip just after Soviet Deputy Foreign Minister Kapitsa's visit to China and at a time when China abstained in the UN vote of censure over the Soviet Union's downing of the South Korean airliner, thus displaying friendship toward the Soviet Union. And so how will the triangular relations between China, the United States, and the Soviet Union develop? This question also draws attention.

The U.S. Embassy in China has issued a communique on Weinberger's visit, pointing out that the aim of his trip is that he hopes to discuss the global balance of military power and security questions in the Asia-Pacific region. The U.S. side has decided to handle Weinberger's trip to China in a low-key fashion.

Weinberger's personal attitude toward China, displayed at a time when slight developments are occurring in Sino-U.S. and Sino-Soviet relations, will to a certain extent have a decisive effect on the overall situation.

Judging by what he says and does, it can be stated that since he became secretary of defense in 1981, Weinberger has consistently adopted a cautious and positive attitude to relations with China. Compared with his colleagues in the Reagan administration, Weinberger's attitude is more desirable.

Proceeding from U.S. global strategy in countering the Soviet Union, Weinberger attaches very great importance to U.S. relations with China. He does not hold that Sino-Soviet contacts are not an indication of peaceful solution of the Sino-Soviet issue. He advocates that, based on "long-term U.S. strategic interests," the United States should "make certain efforts" in promoting China's modernization, including in the military field, so as to "strengthen China's value in countering Soviet expansion in Southeast Asia" and "help to block Soviet attacks" (this was stated by Weinberger in the annual defense report submitted to Congress on 8 February 1982). According to foreign news agencies, Weinberger has also advocated strengthening the "strategic relationship" between China and the United States in a secret document he signed, "Guiding Principles for National Defense From 1985 to 1989."

According to the American press, Weinberger played a certain part in the decision announced by the U.S. Government in January 1982 on selling to Taiwan fighter aircraft more advanced than the F-5E jointly produced by the United States and Taiwan. At that time Allen, White House security adviser, and arms manufacturers in the western United States put very strong pressure on Reagan, demanding that he sell Taiwan more advanced fighters; however Haig persuaded Weinberger, and the Joint Chiefs of Staff and the CIA director jointly submitted a report to Reagan, unanimously holding that it was very important to maintain relations between the United States and China, or otherwise the anti-Soviet front might be weakened, which would have a bad effect on America's global military position. Reagan thus decided not to sell more advanced fighters to Taiwan, and a possible retrogression crisis in Sino-U.S. relations was averted.

On the other hand, Weinberger has adopted an extremely restrained attitude on the question of arms sales to China. Although former Secretary of State Haig said on his 1981 visit to China that the United States was willing to relax its restrictions on arms sales to China, Weinberger told Japanese reporters in October 1982 that the United States was considering selling China patent rights for arms manufacture technology, but this must be considered part by part. He said that the United States had decided to regard China as a close non-ally, but the United States would consider its relations with other countries very carefully. Not long ago, during the debate on relaxing U.S. trade restrictions against China, U.S. Secretary of Commerce Baldrige, presidential scientific adviser Keyworth, and Secretary of State Shultz all advocated relaxing restrictions, but Weinberger, worried that American technology would be used for military purposes, urged extreme caution.

People have noted that recently the Defense Department and Weinberger himself have become flexible on this issue. After Commerce Secretary Baldrige announced on behalf of the government that China was being changed from category P to category V, there were some relatively positive reactions in the Defense Department. Ball, assistant secretary of defense for international security policy, openly stated on 13 July that "the Defense Department views with sympathy the question of allowing China to increase its purchases of weapons technology from the United States," and pointed out that the United States hoped in this way to "promote the strengthening of Sino-U.S. ties."

On the eve of his visit to China, Weinberger said when interviewed by YOMIURI SHIMBUN that "if China hopes to get it, no matter what it is, we will be happy to look into it, and are prepared to solve the problem right away."

On the question of transferring to China advanced technology which might be used in the military field, he mentioned that "the only restriction" was on nuclear weapons and their carrier vehicles. He thus explicitly stated that he wanted to fully treat China as a friendly state. (see YOMIURI SHIMBUN of 21 September)

Summing up all this, generally speaking Weinberger's attitude to China is relatively friendly. People hope that his visit to China will help to promote the development of Sino-U.S. relations.

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